

# KhâI- Ma Municipality



## ANNUAL REPORT 2018/2019

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## PROPOSED REVISED ANNUAL REPORT TEMPLATE

The purpose of this revised Annual Report template is to address the need expressed by a number of municipalities for assistance in the preparation and development of improved content and quality of Municipal Annual Reports. It replaces a template dating back to August 2003.

This template gives effect to the legal framework requirement, concepts and principals espoused in the White Paper on Local Government and Improving Government Performance. It reflects the ethos of public accountability. The content gives effect to information required for better monitoring and evaluation of government programmes in support of policy decision making. The template provides an improved overview of municipal affairs by combining the performance report data required under Municipal Systems Act Section 46 with annual report data referred to in that Act and in the MFMA.

The revised template makes its contribution by forging linkages with the Integrated Development Plan, Service Delivery and Budget Implementation Plan, Budget Reforms, In-year Reports, Annual Financial Statements and Performance Management information in municipalities. This coverage and coherence is achieved by the use of interlocking processes and formats.

The revised template relates to the Medium Term Strategic Framework particularly through the IDP strategic objectives; cross cutting nature of services offered by different spheres of government, municipal service outcome indicators; and the contextual material as set out in Chapters 3, 4 & 5. It also provides information on good management practice in Chapter 4; risk management in Chapter 2; and Supply Chain Management in Chapter 5; and addresses the Auditor-General's Report, dealing with Financial and Performance Management arrangements in Chapter 6. This opens up greater possibilities for financial and non financial comparisons between municipalities and improved value for money.

The revised template provides information on probity, including: anti-corruption strategies; disclosure of financial interests by officials and councillors; disclosure of grants by external parties, disclosure of loans and grants by municipalities. The appendices talk to greater detail including disaggregated information on municipal wards, among others.

Notes are included throughout the format to assist the compiler to understand the various information requirements. Once the draft has been finalised, training will be provided to facilitate the implementation of this initiative, and separate additional guidance may be issued if necessary.

We wish to express our gratitude to the members of the Annual Report Reference Group, consisting of national, provincial and municipal officials for their inputs and support throughout the development of this document.

## CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

### COMPONENT A: MAYOR’S FOREWORD

I have another opportunity and privilege to share, complying to legislative and accountability requirements an annual, report of the Khâi-Ma Municipality with its stakeholders- specific for the 2018/2019 financial year. This is necessarily required by legislation and serves as a measurement tool for accountability. It is not an easy tasks to address the diversity needs of our people with limit resources, but it is possible with a positive attitude and a will to perform under negative conditions.

Basic services are rendered on an ongoing basis to the biggest part of the households. It requires development of new and upgrading of existing infrastructure and also campaign to motivate the entire community to take ownership of its assets and assist the municipality, to change the low payment culture and stop theft and vandalism. Cash flow problems, which is another factor resulting of irresponsibility of consumers to pay for services, the high number of indigents caused by unemployment and poverty also play a role of the increase of arrears in debt which can be addressed through the progressive implementation of the municipality’s debt collection and credit control policies which were adopted by council.

COGTA National is still assisting the municipality with revenue enhancement initiatives to increase the **municipality’s** revenue base. However, it will take more financial years to fulfil the municipality’s development objectives due to huge amounts owed to creditors, Eskom and Sedibeng. The collection of such debt will help the municipality to improve its credibility for loans in order to purchase more vehicles, equipment and tools to deliver the services needed. The assistance which were given by the private sector for reviewing the spatial development framework and development master water and sewerage plans, the purchase of a refuse truck, are examples of what is priorities in community development above are appreciated. However, we looking forward to have a sewerage truck for each community (instead of having one for all) for improving the basic service delivery to our households. The capital projects, which are the upgrading of sport facilities, Pofadder Bulk Water Supply Augmentation, Upgrading of Onseepkans Water Supply and Upgrading of Pofadder Sewer has to be accelerated and completed for satisfaction of our clients. Positively, these projects together with an R1million allocation from Department of Roads and Public Work’s EPWP programme brought a number of temporary jobs.

Council meetings which were well attended by councillors and even corporation during. the meetings were very good. This Municipality could not be successful with public participation at all times, since some public meetings were not attend very well. Any other form of communication such as complaints registers, adverts requesting inhabitant’s inputs need to be emphasised. The website has to be upgraded for many documents could not uploaded on it.

Local economic development did not received the required attention for attracting investments, development smme’s and creating sustainable jobs, the LED strategy is outdated and has to be revised with the assistance of the relevant sector department. The Black Mountain Complex together with the renewable energy projects by Abengoa Solar and Boitherm Energy Solutions made a huge contribution to job creation, but the Municipality did not benefit towards improved income. Social Labour plans and IPP’s social plans has to contribute to municipal development objectives.

Local governance will always be a challenge and since human capital is the main source next to the other for

every institution, the municipality remain committed to advance service delivery aimed at improving the quality of life for all Khâi-Ma residents. Therefore, as we could not be successful in filling the vacancies of key positions in the management, this long outstanding matter is a priority for the next financial year. The appointment of the senior managers together with other key positions will be an advantage to the Municipality for compliance to legislation, executions of council resolutions and to improve on the current staff moral as well as the auditor general's audit outcome- from qualified to a clean audit in the previous financial year.

Khâi- Ma Municipality are in an economic development environment to improve the lives of its citizens as stated through its vision. All stakeholders have to be part of the whole exercise because our believe remains "a better life for all" is possible with "together we can do more".

Lastly, therefore in the light of the above express my sincere gratitude to all Councillors, Officials, Communities of Khâi-Ma Municipality and Stakeholders for their efforts, support and hard work, which enable the institution to record service delivery progress during the year under review. Simultaneously, keep on with your efforts to achieve the goals and objectives of our authority for the sake of our people.

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**Councillor P.A van Heerden**

**MAYOR: KHÂI-MA MUNICIPALITY**

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## COMPONENT B: EXECUTIVE SUMMARY

### 1.1. MUNICIPAL MANAGER'S OVERVIEW

## MUNICIPAL MANAGER'S FOREWORD

I, in my capacity as the accounting officer am honoured to present an Annual Report for another financial year, i.e. 2018/2019, as required by legislation: Local Government Municipal Systems Act 32 of 2000, Local Government Municipal Finance Management Act 56 of 2003, as well as National Treasury Circular No.11. The report addresses the performance of Khâi-ma Municipality for the year ended 30 June 2019, and the relevant statutory requirements.

Challenges were experienced by the institution within the administration which had to be managed, for example the qualified audit report by the auditor- general for the second consecutive year, outstanding creditors namely Eskom and Sedibeng Water Board, the resignation of the members of the audit committee, the poor performance of the service providers and contractors appointed to manage our capital projects. Another challenge is the serious cash flow challenge due to low income base, low payment percentages and we rely on COGTA's appointee, Ducharme Consulting to assist the municipality with revenue enhancement strategy hoping to improve our income base for the near future. The low revenue base has caused poor performance on maintenance of the assets of the Municipality.

Waste management, including the removal of illegal dumps and the upgrading of landfill sites needed to be prioritised and attended to.

The implementation of by- laws were hampered by the absence of fines for defaulters. Many attempts to get other relevant role players on board were unsuccessful. However, new attempts will follow in the next financial year.

We however, wish to point out some positive moves made by the Municipality as follows:-

- Basic services are rendered to the households on a regular basis. However, there is a small percentage of houses which requires to be served, especially with sanitation.
- The second phase of the Pofadder Bulk Water Supply Augmentation is almost completed.
- 63 households connections through the INEP programme from the Department of Energy were connected to the electric network;
- the upgrading of Sport facilities is also in the final phase;
- the appointment of four financial internships following National Treasury's programme has been finalist;



- 45 temporary jobs was created during the financial year through the EPWP programme.
- The actual staff costs of the municipality has been lowered at 36.68% of the total operating budget than the previous year.

The Municipality has to continue with its endeavours of providing the best possible services to its inhabitants. Two Senior's Managers for Corporate and Technical has been appointed, making it a full component of at least four Senior Managers, and the Municipal Manager included in the employment of Khâi-ma Local Municipality. This is basically to ensure the execution of council's resolutions and performance of certain functions relevant from both departments. Furthermore, a cash funded budget will follow on the priority list, while the debt collection and credit control polices will be implement progressively in the next financial year. The development of sector plans including spatial development framework (SDF), LED strategy, water service development plan, and master plans will also receive priority as was omitted in the previous assessments by COGHSTA, Provincial Treasury and the auditor- general reports. Municipality could not implement a performance management system for the operational staff due to the absence of employments contracts and job evaluations. It is anticipated that the appointment of the corporate services manager will be to the advantage of the Municipality in order to promote this matter.

The development and implementation of the audit recovery plan is essential for the preparation of an improvement of the next audit.

We remain positive that through hard work and dedication we will manage to change the Municipality into a better position with all stakeholders' contributions.

*Obakeng Isaacs*

*Municipal Manager*

## 1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

### INTRODUCTION TO BACKGROUND DATA

Khâ- Ma Municipality is a category B- Municipality with a plenary ward system, established in terms of the Local Government: Municipal Structures Act, 1998, Act no. 117 of 1998 with the following functions:

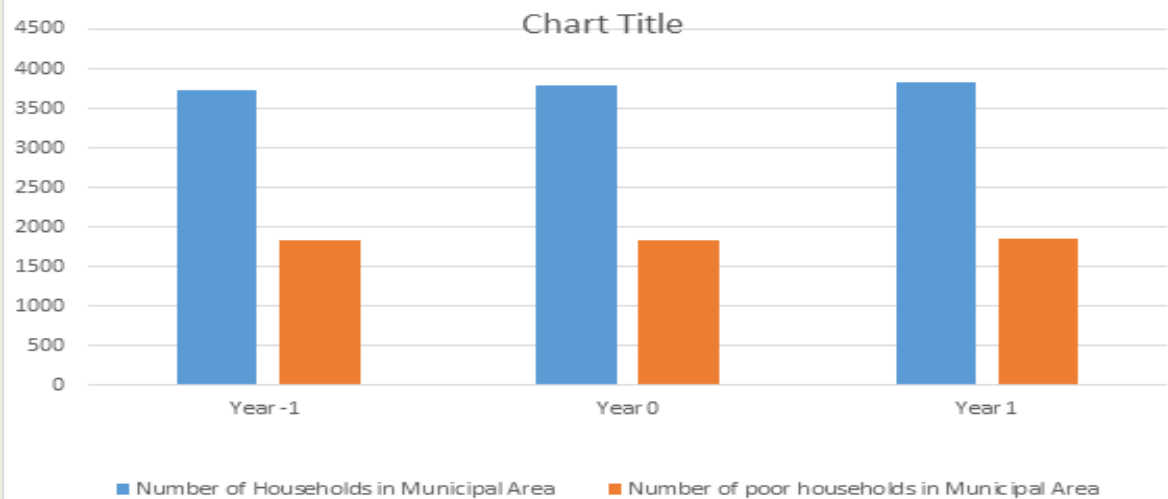
- Rendering basic service delivery (water supply, sanitation services, waste management, waste water management, electricity, roads), land use development, commonage management, community services.
- Maintenance of the existing infrastructure (networks, reservoirs, roads, community facilities, amenities)
- Local economic development (smme development, job creation) .
- Assist with human settlements matters (housing pipeline and national needs register)
- Shared functions with the district municipality include disaster management and environmental management and nature conservation. .

T 1.2.1

	1996			2001			2011			2016		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>00 - 04</b>	545	518	<b>1063</b>	577	499	<b>1076</b>	567	537	<b>1104</b>	571	460	<b>1031</b>
<b>05 - 09</b>	563	562	<b>1125</b>	596	546	<b>1143</b>	583	494	<b>1078</b>	406	630	<b>1036</b>
<b>10 - 14</b>	562	551	<b>1113</b>	560	544	<b>1104</b>	544	496	<b>1041</b>	674	513	<b>1187</b>
<b>15 - 19</b>	405	373	<b>778</b>	460	441	<b>900</b>	521	492	<b>1013</b>	609	345	<b>955</b>
<b>20 - 24</b>	410	337	<b>748</b>	625	515	<b>1139</b>	691	595	<b>1285</b>	356	372	<b>728</b>
<b>25 - 29</b>	397	353	<b>750</b>	592	524	<b>1116</b>	657	557	<b>1214</b>	429	667	<b>1096</b>
<b>30 - 34</b>	388	413	<b>801</b>	560	482	<b>1043</b>	602	474	<b>1075</b>	475	424	<b>899</b>
<b>35 - 39</b>	332	337	<b>669</b>	455	433	<b>887</b>	515	402	<b>917</b>	491	361	<b>852</b>
<b>40 - 44</b>	314	285	<b>599</b>	383	362	<b>745</b>	470	413	<b>883</b>	544	448	<b>992</b>
<b>45 - 49</b>	214	201	<b>415</b>	307	300	<b>607</b>	378	352	<b>729</b>	419	577	<b>995</b>
<b>50 - 54</b>	195	198	<b>393</b>	221	213	<b>434</b>	323	307	<b>630</b>	315	288	<b>603</b>
<b>55 - 59</b>	141	162	<b>304</b>	192	205	<b>397</b>	263	224	<b>487</b>	218	315	<b>533</b>
<b>60 - 64</b>	122	120	<b>241</b>	129	155	<b>284</b>	163	156	<b>319</b>	366	316	<b>682</b>
<b>65 - 69</b>	70	101	<b>171</b>	102	111	<b>212</b>	110	155	<b>265</b>	337	251	<b>588</b>
<b>70 - 74</b>	64	63	<b>127</b>	67	85	<b>152</b>	77	98	<b>176</b>	188	289	<b>478</b>
<b>75 - 79</b>	43	65	<b>108</b>	48	59	<b>107</b>	56	63	<b>120</b>	22	67	<b>89</b>
<b>80 - 84</b>	21	42	<b>62</b>	23	44	<b>67</b>	18	45	<b>63</b>	50	70	<b>120</b>
<b>85+</b>	21	33	<b>54</b>	17	38	<b>55</b>	21	44	<b>65</b>	88	118	<b>206</b>
<b>Unspecified</b>	19	10	<b>29</b>	-	-	<b>-</b>	-	-	<b>-</b>	-	-	<b>-</b>
<b>Total</b>	<b>4826</b>	<b>4724</b>	<b>9550</b>	<b>5914</b>	<b>5556</b>	<b>11468</b>	<b>6559</b>	<b>5904</b>	<b>12464</b>	<b>6558</b>	<b>6511</b>	<b>13070</b>

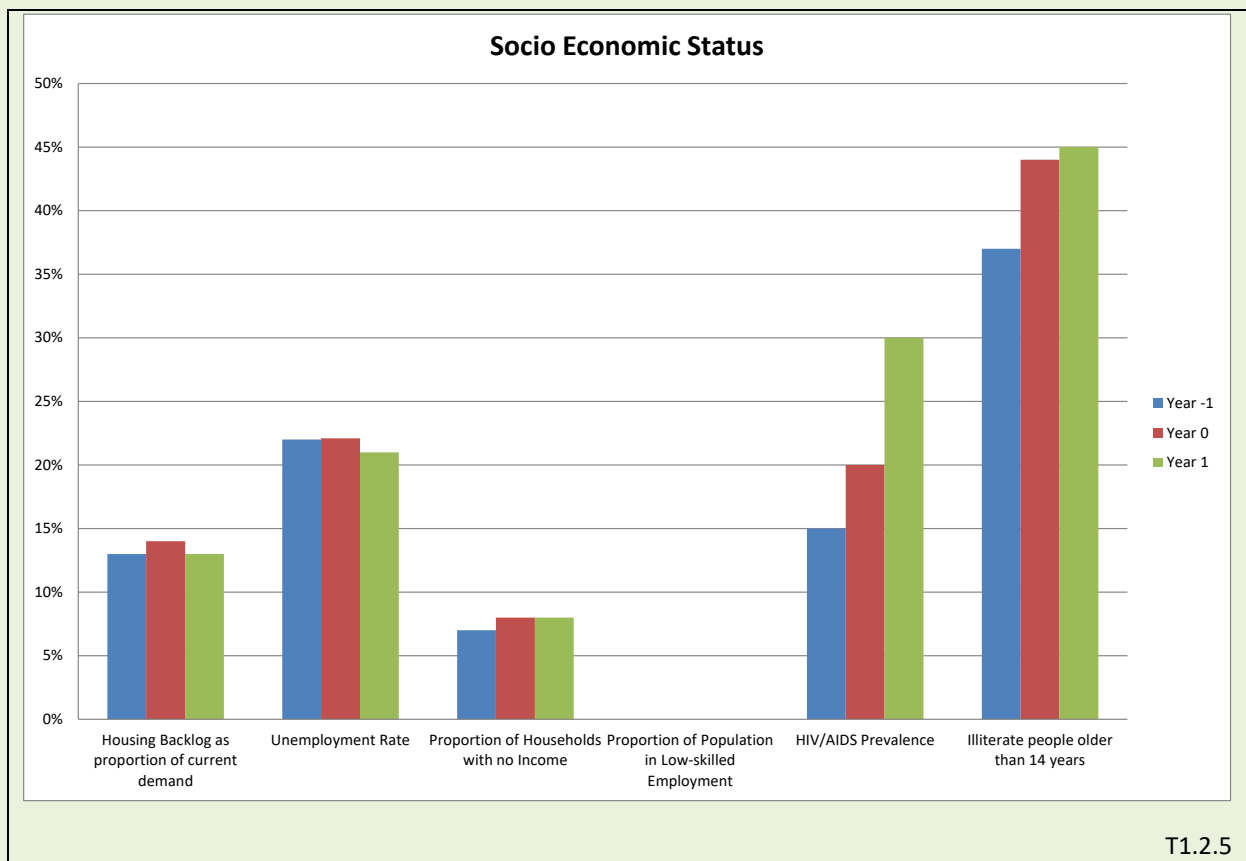
### Data sourced from sheet SA9

Description of economic indicator	Basis of calculation	2007 Census	2011	2016 Survey	Year -1	Year 0	Year 1
<b>Demographics</b>							
Population 0-4		685	1104	1031	1092	1104	1116
Females aged 5 - 14		95	990	1143	983	990	1002
Males aged 5 - 14		112	1044	1128	1114	1080	1139
Females aged 15 - 34		169	2065	2121	2103	1808	2142
Males aged 15 - 34		204	2157	2472	2447	1869	2495
Unemployment			1304	1302	1302	1356	1289
Number of households in municipal area				3 736	3736	3 736	3792
Number of poor households in municipal area				1 822	1822	1931	1848



T1.2.3

Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
Year -1	13%	22%	7%		15%	37%
Year 0	14%	22%	8%		20%	44%
Year 1	13%	21%	8%		30%	45%
T1.2.4						



Overview of Neighbourhoods within 'Name of Municipality'		
Settlement Type	Households	Population
Towns		
Pofadder	1012	3 663
Pella	814	2 541
Aggeneys	573	2 262
Sub-Total	2399	8 466
Townships		
Sub-Total		
Rural settlements		
Onseepkans	576	2151
Witbank	78	249
Khâi- Ma NU	990	2148
Sub-Total	1 613	4 548
Informal settlements		
Sub-Total		
Total	3796	13070
		T1.2.6

Natural Resources	
Major Natural Resource	Relevance to Community
Water (Orange River, Groundwater)	Land use (Living conditions, Live stock irrigation)
Land	Mining
Minerals	Tourism (SMME's)
Fauna and Flora	Fishing and Irrigation
	T1.2.7

#### COMMENT ON BACKGROUND DATA:

The municipality is characterized by vast tracts of land, pristine natural environment, unique mountains and its limited cell phone reception, which can be regarded as a unique attraction by some urban dwellers who wish to escape the rush of the cities. This inherent potential for eco-tourism needs to be exploited and managed in a sustainable manner in order to retain this unique setting. In addition, Orange River (at some point turning at the east forming the Richie water Falls and flowering season in Namakwaland attracts tourist from across the country and abroad. Khâi-Ma offers numerous tourism attractions like 4X4 trails, the cathedral at Pella, a “Quiver” forest at Onseepkans and cultural heritage [such as the Nama Dancers and Tradition including the language.](#)

T1.2.8

### 1.3. SERVICE DELIVERY OVERVIEW

#### 1. Water

- The majority of households (97%) within the municipal jurisdiction has access to water (inside yard)
- The development solar and Gamsberg projects in the area caused a significant impact on the consumption of water by the new consumers. Water consumption at Pella is also high in comparison with Pofadder with more households.
- The water purification plants in Onseepkans (Melkbosrand) and Witbank needed to be upgraded.
- Water Supply at Viljoensdraai, Onseepkans was partly upgraded and need further attention. Water balance/water losses must be managed properly.
- Drinking Water from the Sedibeng Water is of high quality.
- Water losses during 2018/19 was 58% and in Rand value R2,712,695
- The Municipality must introduce sustainable interventions to ensure improvement in the status of Blue Drop system.
- A business plan for the installation of pre- paid water meters is prepared and submitted to MIG. Vedanta was also considered a possible funder.

#### 2. Sanitation

- A number of ... households still do not have access to toilet facilities;
- Consumers are not satisfied with the dry pit systems and they indicated during public participation they government to replaced it with a water born system. However, consumers should be aware of the importance of saving water;
- Oxidation pounds have to be upgraded including fencing and treated properly;

#### 3. Waste Management

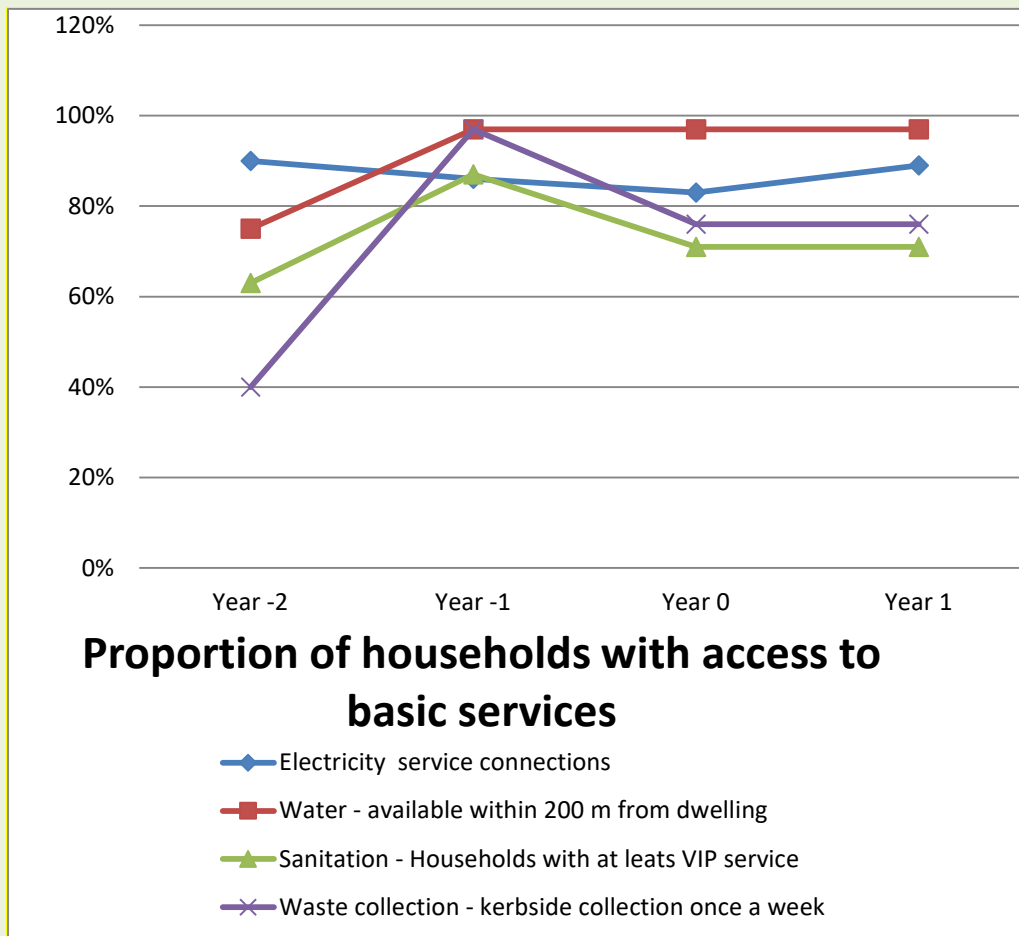
- Compliance with relevant legislation for waste Disposal Sites remains is a lack and of a great concern;
- Chapter 3 of the National Environmental Management Act (Act 107 of 1998);
- Chapter 4 of the National Environmental Management Waste Act (Act 59 of 2008) – Non - compliance with permit conditions i.e. fencing; signage, display of permit numbers at landfill sites;
- Illegal dumping of waste (outside and away from the landfill sites), especially at Pofadder is a great concern;
- Dumping of hazardous waste by construction companies at the Pofadder landfill site is also of concern;
- A business plan was submitted to MIG for the rehabilitation of the Pofadder landfill site;
- Only one (1) truck is available to removal of refuse at all communities once a week and hamper service delivery.

#### 4. Waste water

- 1 truck per community was utilized for removal of waste water from households.
- A second truck at Pofadder is out of order and needs to be repaired to improve services. There are still conservancy tanks overflowing before it is emptied.
- The oxidation pounds of Pofadder were equipped with a razor blade fence and also sign boards at the entrance of the facility. The 'pounds' at Pella and Onseepkans is not on standard and have to be upgraded including fencing.
- Business plan also submitted for funding to the Department of Water and Sanitation for new oxidation pounds.
- No samples were taken for analysis for the purpose of the Green Drop status.

T1.3.1

Proportion of Households with minimum level of Basic services				
	Year -2	Year -1	Year 0	Year 1
Electricity service connections	90%	86%	83%	89%
Water - available within 200 m from dwelling	75%	97%	97%	97%
Sanitation - Households with at least VIP service	63%	87%	71%	71%
Waste collection - kerbside collection once a week	40%	97%	76%	76%



T1.3.2

#### COMMENT ON ACCESS TO BASIC SERVICES:

Capital Projects are implemented during the financial year in order to ensure community has access to basic services to their satisfaction. The progress on the projects are:

1. Water Supply at all communities must be upgraded. Pofadder Bulk Water Supply Augmentation Project (R32 million- MIG and COGHSTA is in construction phase (extension of network, Pressure Tank at reservoirs).
2. Pofadder Water Internal Reticulation (R5 million- WSIG) was completed at the first quarter after it could not be completed in the previous financial year.



3. The Upgrading of Bulk water supply System at Onseepkans reached 71% of completion at the end of the financial year.
4. The Upgrading of existing sewer pump stations at Blyvooruitsig, Pofadder reached 91% of completion.
5. No refuse removal took place at Witbank during financial year since the Municipality does only have one refuse truck to remove refuse at all the communities.
6. One sewer truck at Pofadder broke down which cause and waste removal is not sufficient. The budgeted amount for repairs and maintenance is limited and vehicles (tractor are out of order for long periods.
7. The Pofadder electrification project- 100 houses (INEP) could reached only 65% due to poor performance of the then appointed electrician on the previous project (Electrification of 63 houses).

T1.3.3

#### 1.4 FINANCIAL HEALTH OVERVIEW

##### FINANCIAL OVERVIEW

The Municipality experienced severe cashflow problems in the past financial years due low income caused by the severe number of unemployed households within the region. As a result the Municipality relied on grant funding. The drought has a devastating effect not only in the municipal area but also in the entire Namaqua region. The equitable share has to be increased substantially in the future to avoid troubles with cash flow.

T1.4.1

Financial Overview - Year 1			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income			
Grants	49 460	55 987	34 987
Taxes, Levies and tariffs	22 987	22 814	18 217
Other	2 515	4 243	11 559
Sub Total	74 962	83 044	64 763
Less Expenditure	69 085	70 292	68 302
Net Total*	5 877	12 752	-3 539
* Note: surplus/(defecit)			T1.4.2

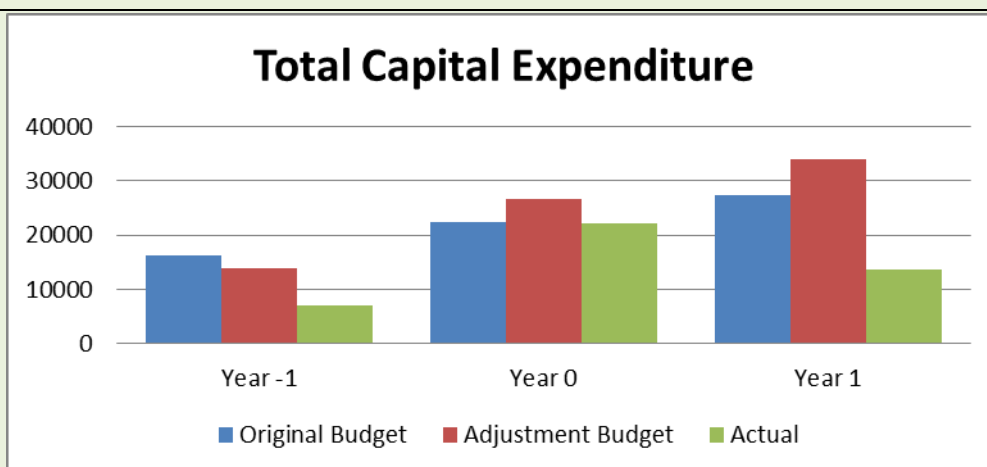
Operating Ratios	
Detail	%
Employee Cost	30.79
Repairs & Maintenance	3.68
Finance Charges & Depreciation	5.65
	T1.4.3

COMMENT ON OPERATING RATIOS:

The municipality cannot afford the current salary scales implemented. Funding must be obtained to replace obsolete infrastructure. There is no employee appointed to take responsibility regarding the repair and maintenance of the infrastructure. Interest paid due to outstanding creditor accounts (Eskom and Sedibeng).

T1.4.3

Total Capital Expenditure: Year -1 to Year 1			
	R'000		
Detail	Year -1	Year 0	Year 1
Original Budget	16367	22425	27506
Adjustment Budget	13885	26589	34084
Actual	7052	22277	13669
			T1.4.4



T1.4.5

#### COMMENT ON CAPITAL EXPENDITURE:

The capital expenditure decreased compared to the previous years. The total capital expenditure for 2018/19 amounts to R13,6 million. The total capital expenditure for 2018/19 amounts to R13,6. R1,4 million was utilised in respect of electricity connection, R2,4 million sanitation and R6,6 million in respect of the Pofadder Bulk Water Supply Augmentation Project and Onseepkans Bulk Water.

T 1.4.5.1

## 1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

### ORGANISATIONAL DEVELOPMENT PERFORMANCE

- The municipality is politically driven by seven councillors (4 ward and 3 proportional councillors within the ANC in the majority;
- Committees elected for finance and economic development; infrastructure, corporate services, MPAC, are functional;
- Three (3) ordinary council meetings were held during the financial year.
- A municipal manager was appointed on a fixed term contract during the 2017/ 2018 to manage the administration;
- A CFO is permanent employed during November 2004 for managing the finance department;
- The positions of senior managers for Corporate services and Technical services are still vacant;
- A position for local economic development officer is also vacant.
- Provision is made for capacity building of councillors and staff through a workplace skills plan;

T1.5.1

## 1.6 AUDITOR GENERAL REPORT

### Report of the auditor-general to the Northern Cape Provincial Legislature and the council on Khai-ma local municipality

#### Report on the audit of the financial statements

##### Qualified opinion

1. I have audited the financial statements of the khai-ma local municipality set out on pages X to X, which comprise the statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Khai-ma local municipality as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (Dora).

##### Basis for qualified opinion

##### Property, plant and equipment

3. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for community assets. As described in note 2, the restatement was made to rectify a previous year misstatement, but the restatement could not be substantiated by supporting audit evidence due to the status of accounting records. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any further adjustments relating to the community assets stated at R13 264 818 (2018: R11 196 608) and accumulated depreciation and accumulated impairment stated at R6 415 043 (2018: R5 949 694) in note 2 to the financial statements were necessary.
4. The municipality did not have adequate systems in place to account for solid waste infrastructure assets in terms *GRAP 17, Property, plant and equipment*. I was not able to determine the full extent of the misstatement to solid waste infrastructure assets stated at R5 331 736 (2018: R9 480 456) in note 2 to the financial statements were necessary as it was impracticable to do so. Consequently depreciation and accumulated depreciation were misstated by an unknown amount. Additionally there is a consequential impact on the deficit and accumulated deficit for the period.
5. The municipality did not have adequate systems in place to account for land in terms *GRAP 17, Property, plant and equipment* resulting in a understatement of land in the property, plant and equipment note by R1 046 000.

#### Receivables from exchange transactions

6. I was unable to obtain sufficient appropriate audit evidence to the provision for impairment on exchange receivables in accordance with *GRAP 104, Financial instruments*, due to a lack in systems at the municipality to provide sufficient and appropriate audit evidence. Consequently, I was unable to determine whether any adjustments to receivables from exchange stated at R48 508 569 (2018: R39 739 987) in note 7 of the financial statements were necessary.
7. The municipality did not recognise all service charges that have accrued in accordance with *GRAP 9, Revenue from exchange transactions*. As the municipality did not maintain adequate and complete records of services rendered, I was unable to determine the full extent of the understatement of service charges for the current and prior year as it was impracticable to do so. Consequently, trade receivables from exchange transactions and taxes were understated. Additionally, there was an impact on the water and electricity losses, the deficit for the period and on the accumulated deficit.

#### Receivables from non-exchange transactions

8. I was unable to obtain sufficient appropriate audit evidence to the provision for impairment on non – exchange receivables in accordance with *GRAP 104, Financial instruments*, due to a lack in systems at the municipality to provide sufficient and appropriate audit evidence. Consequently, I was unable to determine whether any adjustments to receivables from non-exchange stated at R4 078 982 (2018: R3 845 080) in note 8 of the financial statements were necessary.

#### Current and non-current provisions

9. The municipality did not recognise the provision for rehabilitation of landfill sites in accordance with *GRAP 19, Provisions, contingent liabilities and contingent assets*. The methods and assumptions applied in the calculation of the provision for rehabilitation of landfill sites are not considered reasonable. I was not able to determine the full extent of the misstatement to provisions stated at R27 108 353 (2018: R25 765 948) in note 11 to the financial statements as it was impracticable to do so. Additionally there is a consequential impact on the deficit and accumulated deficit for the period.

#### Inventory

10. I was unable to obtain sufficient appropriate audit evidence to confirm inventory for the current and prior year, due to a lack in systems at the municipality to provide sufficient and appropriate audit evidence. I was unable to confirm this by alternative means. Consequently, I was unable to determine whether any adjustments to inventory stated at R2 202 625 (R2018: R1 339 531) in note 6 of the financial statements were necessary.

#### Fruitless and Wasteful expenditure

11. The municipality did not disclose all the fruitless and wasteful expenditure in the notes to the financial statements, as required by section 125(2)(d)(i) of the MFMA. The municipality incurred expenditure in vain that would have been avoided had reasonable care been exercised, resulting in fruitless and wasteful expenditure being understated in the current year. I was unable to determine the full extent of the understatement as it was impracticable to do so.



### Context for the opinion

12. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
13. I am independent of the municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* and, parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
14. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

### Material uncertainty relating to going concern

15. I draw attention to the matter below. My opinion is not modified in respect of this matter.
16. The financial statements indicates that the municipality's current liabilities exceeded its current assets by R46 014 321 (2018:R42 726 364), and operated at a net deficit of R3 538 432 at year-end. This, in addition to the other matters mentioned in note 56 to the financial statements, confirms that material uncertainty exist over the municipality's ability to continue as a going concern.

### Emphasis of matters

17. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### Restatement of corresponding figures

18. As disclosed in note 41 to the financial statements, the corresponding figures for 30 June 2018 have been restated as a result of an error in the financial statements of the municipality at, and for the year ended, 30 June 2019.

### Material underspending

19. As disclosed in note 47.1 to the financial statements, the municipality materially underspent the final budget by R2 131 610 on the corporate services vote.

### Irregular expenditure

20. As disclosed in note 47.3.1 to the financial statements, the municipality incurred irregular expenditure of R5 880 089 (2018: R11 842 220) during the year under review mainly due to non-compliance with supply chain management requirements. In addition, the full extent of irregular expenditure is still in the process of being determined.

## **Other matters**

21. I draw attention to the matters below. My opinion is not modified in respect of these matters.

### **Unaudited disclosure notes (MFMA 125)**

22. In terms of section 125(2)(e) of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA), the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

### **Unaudited supplementary schedules**

23. The supplementary information set out on pages X to X does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

## **Responsibilities of the accounting officer for the financial statements**

24. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the MFMA and the Dora and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
25. In preparing the financial statements, the accounting officer is responsible for assessing the Khai-Ma Local Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

## **Auditor-general's responsibilities for the audit of the financial statements**

26. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of financial statements.
27. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report



## Report on the audit of the annual performance report

### Introduction and scope

28. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected strategic objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
29. I was engaged to evaluate the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected development objectives presented in the annual performance report of the municipality for the year ended 30 June 2019:

Development objectives	Pages in the annual performance report
KPA 1: Basic services and infrastructure	x – x
KPA 3: Local economic development	x – x

30. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

31. The material findings in respect of the usefulness and reliability of the selected development objectives are as follows:

#### KPA 1: Basic services and infrastructure

##### Various indicators

32. I was unable to obtain sufficient appropriate audit evidence regarding the annual performance report for all the selected strategic objectives listed below as the annual performance report was presented without accurate and complete underlying (performance) records to audit usefulness and reliability of reported performance information. This was due to limitations placed on the scope of my work. I was unable to audit the reported performance information relating to the annual performance report for selected development priorities listed below by alternative means:

Indicator description	Planned target	Reported achievement
The percentage of households with access to basic level of water, sanitation, electricity and solid waste removal	100%	97%
Nr of Applications for funding to develop/ upgrade services	4	4
Nr of amenities/ facilities under control of the Municipality available to the community;	4	4

### KPA 3: Local economic development Various indicators

33. I was unable to obtain sufficient appropriate audit evidence regarding the annual performance report for all the selected strategic objective listed below as the annual performance report was presented without accurate and complete underlying (performance) records to audit usefulness and reliability of reported performance information. This was due to limitations placed on the scope of my work. I was unable to audit the reported performance information relating to the annual performance report for selected development priorities listed below by alternative means:

Indicator description	Planned target	Reported achievement
Nr of development stands are developed and available to potential businesses	5	1
Nr of jobs created through the municipality's LED initiatives including capital projects including EPWP	100	115
% of households with an less than 2 state grants	100%	100%
% of the municipality's capital budget actually spent of capital projects identified for a particular financial year in terms of the municipality's IDP	100%	96%
Percentage of the municipality's capital budget actually spent of capital projects identified for a particular financial year in terms of the municipality's Intergrated Development plan	100%	100%

#### Other matter

34. I draw attention to the matter below.

#### Achievement of planned targets

35. Refer to the annual performance report on pages X to X for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs X to X of this report.

### Report on the audit of compliance with legislation

#### Introduction and scope

36. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific



matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

37. The material findings on compliance with specific matters in key legislations are as follows:

#### **Annual Financial Statements, performance reports and annual reports**

38. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122(1) of the MFMA. Material misstatements of non-current assets, current assets and revenue identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

39. The oversight report adopted by the council on the 2017/18 annual report was not made public, as required by section 129(3) of the MFMA.

#### **Expenditure management**

40. Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

41. Reasonable steps were not taken to ensure that the municipality implements and maintains an effective system of expenditure control, including procedures for the approval, authorisation, payment of funds, as required by section 65(2)(a) of the MFMA.

42. Reasonable steps were not taken to prevent irregular expenditure amounting to R5 566 454 as disclosed in note 47.3 to the annual financial statements, as required by section 62(1)(d) of the MFMA. The majority of the disclosed irregular expenditure was caused by non-compliance with SCM regulations. Irregular expenditure amounting to R3 135 145 was incurred on Onseepkans Bulk water supply and Pofadder Rehabilitation Sewerage pump installation.

43. Reasonable steps were not taken to prevent fruitless and wasteful expenditure amounting to R1 482 055, as disclosed in note 47.2 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by the interest accrued on overdue accounts.

44. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R2 806 682, as disclosed in note 47.1 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA. The majority of the unauthorised expenditure was caused by overspending on Infrastructure development vote.

#### **Asset management**

45. Capital assets were disposed of without the municipal council having in a meeting open to the public, to decide on whether the assets were still needed to provide the minimum level of basic municipal services and considered the fair market value of the assets and the economic and community value to be received in exchange for the assets, as required by section 14(2)(a) and 14(2)(b) of the MFMA.

### Strategic planning and performance management

46. The SDBIP for the year under review

- did not include monthly revenue projections by source of collection and
  - the monthly operational and capital expenditure by vote, and
  - the service delivery targets and performance indicators for each quarter,
- as required by section 1 of the MFMA.

47. A performance management system was not established, as required by section 38(a) of the MSA

48. Amendments to the IDP were made without consultation with the district municipality, as required by municipal planning and performance management reg 3(6)(a)

### Procurement and contract management

49. Some of the goods and services with a transaction value of below R200 000 were procured without obtaining the required price quotations, in contravention of by SCM regulation 17(a) and (c).

50. Quotations were accepted from bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, as required by SCM regulation 13(c).

51. The preference point system was not applied to some of the procurement of goods and services above R30 000 as required by section 2(a) of the Preferential Procurement Policy Framework Act. Similar non-compliance was also reported in the prior year.

52. Some of the contracts were extended or modified without the approval of a properly delegated official, in contravention of SCM regulation 5.

53. The performance of some of the contractors or providers was not monitored on a monthly basis, as required by section 116(2)(b) of the MFMA.

54. The contract performance and monitoring measures and methods were not sufficient to ensure effective contract management, as required by section 116(2)(c) of the MFMA. Similar non-compliance was also reported in the prior year.

### Human resource management

55. Appropriate systems and procedures to monitor, measure and evaluate performance of staff were not developed and adopted as required by section 67(1)(d) of the Municipal Systems Act.

### Revenue management

56. An effective system of internal control for revenue was not in place, as required by section 64(2)(f) of the MFMA.

57. Revenue due to the municipality was not calculated on a monthly basis, as required by section 64(2)(b) of the MFMA.

### Consequence management

58. Unauthorised expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(a) of the MFMA.
59. Irregular expenditure incurred by the municipality were not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.
60. Fruitless and wasteful expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

### Other information

61. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected development objectives presented in the annual performance report that have been specifically reported in this auditor's report.
62. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
63. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected development objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
64. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary



### Internal control deficiencies

65. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the disclaimer of opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

66. The leadership did not develop a performance management system to report on service delivery. Leadership did not hold municipal staff accountable as the performance system was

not implemented. The leadership did not ensure that the municipality complied with applicable legislation as material findings on compliance with legislation were raised in the year under review. The municipality's internal processes and systems did not prevent material non-compliance or irregular, unauthorised as well as fruitless and wasteful expenditure. The leadership compiled an action plan based on audit report findings; however, it did not adequately monitor the existing action plan to ensure that corrective action was taken when required and within the required time frames. This resulted in similar material findings recurring in the current financial year.

67. Material amendments had to be made to the financial statements as these were not accurate and complete. This is an indication of weaknesses in internal control with regard to the review process of the financial statements. Management did not regularly review and monitor their compliance with legislation and internally designed policies and procedures. As a result, we noted significant non-compliance issues that could have been prevented.

68. The municipality did establish an internal audit unit and an audit committee but the internal audit unit and the audit committee did not function effectively. The municipality conducted a risk assessment no review or monitoring of the risks identified, took place.

*Auditor General*  
Kimberley

29 November 2019



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



## Annexure – Auditor-general's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected development objectives and on the municipality's compliance with respect to the selected subject matters.

### Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
  - identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
  - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Khai-ma local municipality's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a municipality to cease continuing as a going concern
  - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

### Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

#### AUDITOR GENERAL REPORT YEAR 1

**Delete Directive note once comment's completed** – State the type of opinion given (disclaimer; adverse opinion; qualified opinion; unqualified opinion with 'other matters'; and an unqualified opinion) and briefly explain the issues leading to that opinion. In terms of a disclaimer you must state that 'the accounts of this municipality were too deficient in essential detail for the Auditor General to form an opinion as the financial viability or rectitude of this municipality'. If opinion is unqualified, briefly explain the key steps taken to accomplish and maintain (where appropriate) this important achievement.

T 1.6.1

## 1.6 STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalize the 4th quarter Report for previous financial year	
4	Submit draft year 1 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
7	Mayor tables the unaudited Annual Report	
8	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
9	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
10	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	Sept - Oct
11	Municipalities receive and start to address the Auditor General's comments	November
12	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
13	Audited Annual Report is made public and representation is invited	
14	Oversight Committee assesses Annual Report	
15	Council adopts Oversight report	December
16	Oversight report is made public	
17	Oversight report is submitted to relevant provincial councils	
18	Commencement of draft Budget/ IDP finalization for next financial year. Annual Report and Oversight Reports to be used as input	January
		T1.7.1

### COMMENT ON THE ANNUAL REPORT PROCESS:

This Municipality could not managed to submit a draft annual report to the Auditor- general due to other different tasks to be completed in the absence of senior managers.

T1.7.1.1

## CHAPTER 2 – GOVERNANCE

### INTRODUCTION TO GOVERNANCE

Khâ- Ma Municipality has to deliver basic services to its inhabitants- individually and/ or in groups with funds generated from rates and taxes, avail by the public and private sector which require a local authority to:

- Take resolutions following all legislation made on national, provincial and local level;
- Khâ- Ma Municipality has a council for its political governance, managers and productive employees for implementation of its resolutions taken at general and special meetings.
- Appoint an accountable person for staff establishment and the execution of its resolutions
- Engage with the public and stakeholders to obtain their inputs during planning and evaluation;
- Account to the public and relevant stakeholders on the implementation of such resolutions;
- Prepare performance information for audit purposes;

T2.0.1

## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

T2.1.0

## 2.1 POLITICAL GOVERNANCE

### INTRODUCTION TO POLITICAL GOVERNANCE

1. The Mayor is the political head of the Municipality leading the local council in taking resolutions on matters concerning the communities within the Municipality's jurisdiction.
2. Key committees are finance/LED/ IDP, corporate services, infrastructure and economic development and MPAC.
3. The audit committee is shared with Namakwa District Municipality through a memorandum of Understanding.
4. An oversight committee consist of three councillors.

Note: MFMA S52 (a): The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality

T2.1.1

POLITICAL STRUCTURE		
Photos		Function
	<b>MAYOR/ SPEAKER</b>	
	Councillor Pasqueline Adonia Van Heerden	Political head Chair council meetings
	<b>CHIEF WHIP</b> (Name) Councillor Estelle Patra Cloete	
		T2.1.1

COUNCILLORS
<p>Khâ- Ma Municipality has seven (7) Councillors- three (3) Proportional Representation (PR) and four (4) Ward Councillors. The Four (two male and two female) Ward Councillors represent the ANC as the majority, one (female) represent COPE and two (1 male and one female) represent DA. The Mayor is also the Speaker of Council.</p> <p>Council has the follow functional council committees: Finance, Infrastructure Development, Human Development and Corporate Services, Local economic Development and MPAC. The MPAC committee has to be trained for effective services.</p>
T2.1.2

POLITICAL DECISION-TAKING
<p>Council resolutions are taken at 3 (three) ordinary and special meetings. Ordinary meetings are informed by recommendations made by its council (working) committees. (SDBIP).</p>
T2.1.3

## 2.2 ADMINISTRATIVE GOVERNANCE

### INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

The Municipal Manager was appointed by council with the approval of the MEC for Cooperative Governance, Human Settlements and Traditional Affairs in the Northern Cape Province. As head of the administration he has to guide and account to council on administrative governance. A Chief financial officer is assisting him managing the finance of the Municipality. The positions of the other two line managers responsible for corporate services and technical services are vacant and could not be filled within the financial year due to lack of qualifications by applicants.

Performance agreements are signed between the mayor and municipal manager, the municipal manager and the CFO.

T2.2.1

### TOP ADMINISTRATIVE STRUCTURE

<i>Photo</i>	<b>TIER 1 MUNICIPAL MANAGER</b> Mr. Obakeng Isaacs	<b>Function</b>  Accounting Officer
<i>Executive Directors</i>		
<i>Directors Optional</i>	<b>CHIEF FINANCIAL OFFICER:</b> Mr. Pieter Jacobus Van der Merwe  Date of Appointment: November 2004 (permanent)  <b>SENIOR MANAGER: Corporate Services</b> <b>VACANT</b> Director: title (Name) etc  <b>SENIOR MANAGER: Infrastructure Development</b> <b>VACANT</b> Director: title (Name) Etc	Assist accounting officer with financial management   Assist accounting officer with managing land use, commonage, housing, community services, human resources and support services.  Assist accounting officer with managing basic service delivery, infrastructure development, operations and maintenance.

T2.2.2

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

Note: MSA S3 requires that municipalities exercise their executive and legislative authority within the constitutional system of co-operative governance envisaged in the Constitution S41.

**Delete Directive note once comment is complete** - Provide a brief overview of co-operative governance and intergovernmental relations for your municipality. Explain the various contributions to service delivery offered by those involved.

T 2.3.0

## 2.3 INTERGOVERNMENTAL RELATIONS

### NATIONAL INTERGOVERNMENTAL STRUCTURES

Khâ- Ma Municipality is part of the provincial intergovernmental structure represented by its mayor and municipal manager who also represent the municipality on district level.

T2.3.1

### PROVINCIAL INTERGOVERNMENTAL STRUCTURE

Khâ- Ma Municipality is part of the provincial intergovernmental relationship structure represented by its mayor and municipal manager who also represent the municipality on district level.

T2.3.2

### RELATIONSHIPS WITH MUNICIPAL ENTITIES

Khâ- Ma Municipality does not have entities.

T2.3.3

### DISTRICT INTERGOVERNMENTAL STRUCTURES

Municipality is represented on district intergovernmental structures such the district IGR (mayor and municipal manager), District Infrastructure Forum ( Technical Manager), War on Poverty (Dept. Social Development), disaster management forum- representative to be appointed and waste management.

T2.3.4

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

### OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Ward councillors conducting ward meetings, notices on notices boards.

Notices and Advertisements are mostly placed in the Gemsbok based in Dawid Kruiper Municipality- ZF Macau District.

The website is not utilised at its fully potential. Many documents such as plans and reports are not placed on the site.

T 2.4.0

## 2.4 PUBLIC MEETINGS

### COMMUNICATION, PARTICIPATION AND FORUMS

Communications between the municipality and its citizens should be in the form of qualitative engagement. This entails the identification of needs and subsequent implementation of programmes and projects that address such needs. The strategy shall amongst other things recommend that media and other means of communication be utilized by the municipality to achieve its strategic communicative goals.

T2.4.1

### WARD COMMITTEES

Ward committees are functional dealing with the needs for basic services by the inhabitants of each ward. Each ward has a committee consist out of ten members with the ward councilors as chairpersons.

Khâl- MA Municipality has 4 wards.

Ward operational plans were develop and submitted to COGHSTA.

Each ward committees held a meeting per month during the financial year and submitted their minutes/ reports to the municipality;

Each member of a ward committee was paid a stipend of R500.00 per month.

T2.4.2



Public Meetings					
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and manner of feedback given to community
IDP Needs Analysis Public Meeting- Witbank	15-Nov-17	1	1	4	
IDP Needs Analysis Public Meeting- Onseepkans	16-Nov-17	0	1	4	
IDP Needs Analysis Public Meeting- Pella	22-Nov-17	1	1	34	
IDP Projects- Pofadder	21-May-18	0	1	13	Meeting postponed
IDP Projects - Pella	22-May-18	2	1	48	
IDP Projects - Witbank	22-May-18	1	1	21	
IDP Projects- Onseepkans	23-May-18	1	1	83	
IDP Projects- Pofadder	24-May-18	1	1	2	Meeting postponed
IDP Projects- Pofadder	28-May-18	2	1	23	
T2.4.3					

#### COMMENT ON THE EFFECTIVENESS OF THE PUBLIC MEETINGS HELD:

The attendance at the public meetings was poor despite proper notices of these meetings issued. The public were notified by utilizing notice boards, announcements at churches and loud hailing.–Ward committees assisted with the mobilisation of inhabitants. However, people attend rather meeting in connection with housing and job creation.

T2.4.3

## 2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	No
* Section 26 Municipal Systems Act 2000	
T2.5.1	

## COMPONENT D: CORPORATE GOVERNANCE

### OVERVIEW OF CORPORATE GOVERNANCE

Functions are Land use management, Human Resources Management, Community services (service points, library services, availability of sport facilities, cemeteries) and Support Services (switchboard, record management and cleaning services), Commonage Management and Disaster Management.

T2.6.0

## 2.6 RISK MANAGEMENT

### RISK MANAGEMENT

Note: MFMA S62 (i)(c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

The management of risk is the process by which the Accounting Officer, Chief Financial Officer and the other senior management of a Municipality will pro-actively, purposefully and regularly, but at least annually, identify and define current as well as emerging business, financial and operational risks and identify appropriate, business and cost effective methods of managing these risks within the Municipality, as well as the risk to the stakeholders.

Risk is often created by:

- Changes that takes place within the Municipality (i.e. people, systems, processes, technology, legislation and regulations);
- External influences (i.e. economics, availability of human resources and damages);
- Operations and complexity of processes;
- Volume of activities within a Municipality; and
- The nature of the control environment.

Note: MFMA S62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management.

T2.6.1

### FRAUD AND ANTI-CORRUPTION STRATEGY

Notes: See Chapter 4 details of Disciplinary Action taken on cases of financial mismanagement (T4.3.6). MSA 2000 S83(c) requires providers to be chosen through a process which minimizes the possibility of fraud and corruption.

This strategy subscribes to the principles of good corporate governance, which requires the conducting business in an honest and transparent fashion. Consequently is committed to fighting fraudulent behavior at all levels within the organization. The Fraud Prevention Plan is premised on the organizations core ethical values driving the business of , the development of its systems, policies and procedures, interactions with ratepayers, the public and other stakeholders, and even decision-making by individual managers representing the organization. This means that in practice all departments and other business units of and even external stakeholders must be guided by the Plan as the point of reference for their conduct in relation to .

In addition to promoting ethical conduct within, the Plan is also intended to assist in preventing, detecting, investigating and sanctioning fraud and corruption.

This dynamic document details the steps, which have been, and will continually be taken by to promote ethical conduct and address fraud and corruption.

The policy of is zero tolerance to fraud and corruption. In addition, all fraud and corruption will be investigated and followed up by the application of all remedies available within the full extent of the law and the implementation of appropriate prevention and detection controls. These prevention controls include the existing financial and other controls and checking mechanisms as prescribed in the systems, policies and procedures of Khâ- Ma Municipality.

The efficient application of instructions contained in the policies and procedures of, is one of the most important duties to be applied by every employee in the execution of their daily tasks.

#### **Human Resources – Employment Practices**

Khâ- Ma Municipality is committed to develop human resources systems, policies and procedures, which incorporate fraud and corruption prevention practices. There is a risk of poor implementation of its human resource systems, policies and procedures and undertakes testing thereof during internal audits in which control shortcomings are subsequently addressed.

#### **Discipline**

Khâ- Ma Municipality will be consistent and efficient in its application of the disciplinary measures. Additional measures, which will be considered include:

- Communication of specific disciplinary standards and forbidden conduct;
- Introducing a system where the application of disciplinary measures is applied consistently;
- Steps for on-going training of managers in the application of disciplinary measures;
- Where managers are found to be inconsistent and/or inefficient in the application of discipline, will consider firm action; and
- Publication (within the permissible legal framework) of the outcomes and sanctions of
- Disciplinary actions, including lessons learned. The successful achievement of these initiatives, together with their communication is expected to have a deterrent effect.

### **Financial Systems and Control**

Appropriate finance policies and procedures are also necessary to ensure appropriate internal control over finance management and to limit fraud and corruption risks. The effectiveness of the existing finance policies and procedures will also be tested during the course of internal audits and shortcomings are addressed.

The Council of must approve an annual budget for before the start of the financial year. Khai-Ma Municipality may only incur expenditure in terms of an approved budget and within limits of the amounts appropriated for the different votes in an approved budget.

### **Procurement**

Further, the MFMA stipulates that the procurement policy of must at least address the following aspects: The barring of persons from participating in tendering or other bidding processes that have:

- Been convicted of fraud or corruption during the past five years;
- Wilfully neglected, reneged on or failed to comply with government contract;
- During the past five years; and
- Whose tax matters are not cleared by SARS.

In order to fulfil its housing role, must carry out the following functions:

- Health and Safety: ensure that conditions not conducive to health and safety of the inhabitants of its areas of jurisdiction are prevented or removed;
- Efficient Services: ensure that services in respect of water, sanitation, electricity, roads, storm water drainage and transport are provided in a manner that is economically efficient;
- Housing Delivery Goals: set housing delivery goals in respect of its area of jurisdiction;
- Land for Housing: identify and designate land for housing development;
- Public Environment: create and maintain a public environment conducive to housing development which is financially and socially viable;
- Conflict Resolution: promote the resolution of conflicts arising in the housing development process;
- Bulk and Revenue Generating Services: provide bulk engineering services, and

Revenue generating services in so far as specialist utility suppliers do not provide such services;

- Land Use: plan and manage land use and development; and
- Housing Development: initiate, plan, co-ordinate, facilitate, promote and enable appropriate housing development in its area of jurisdiction.

### **Risk Management and Assessment**

In order to identify and address risks facing, a risk assessment will be performed on an annual basis. This process will be complimented by the specific identification of existing controls to mitigate risks identified. Additional actions to further mitigate these risks will culminate in a risk management plan. Presentations to employees of will be conducted in order to ensure that they have a more detailed understanding of the fraud and corruption risks facing and the areas wherein these risks exist, thus enhancing the prospect of detecting irregularities earlier.

### **Internal and External Audit**

The MFMA stipulates that a Municipality must maintain a system of internal audit under the control and direction of an audit committee. Furthermore, the internal audit function is required to report on matters relating to:

- Internal Control;
- Accounting procedures and practices;
- Risk and risk management;
- Loss control; and
- Compliance with applicable legislation.

Khâl- Ma created an Internal Audit Unit that only consists of one (1) official, which include anti-corruption capacity under the guidance of an Audit Committee. This Municipality does not have an Audit Committee due the financial implications and lack of capacity.

### **Physical and Information Security**

#### ***Physical Security***

Khâl- Ma Municipality's main physical security threat arises in the area of control over its physical assets, facilities and employees. Security personnel and access systems are deployed to mitigate this threat. However, control over security personnel and access systems should continuously be reviewed for adequacy.

Furthermore, the Municipality will continue to pursue steps to ensure adequate security over its people, confidential information and information systems.

The Municipality will ensure that all employees are sensitised on a regular basis to the fraud and corruption risks associated with information security and the utilisation of computer resources, in particular – access control, and ensure that systems are developed to limit the risk of manipulation of computerised data.

Regular communiqués will be forwarded to employees pointing out security policies, with a particular emphasis on e-mail and Internet usage and the implications (e.g. disciplinary action) of abusing these and other computer related facilities. Where employees are found to have infringed on prevailing policy in this regard, disciplinary action will be taken.

### **Reporting and Monitoring of fraud and corruption**

#### ***Reporting Channels***

The reporting channels for unethical conduct, fraud and corruption impacting are the following:

- All allegations of fraud and corruption should be reported by employees to their immediate managers;
- If there is a concern that the immediate manager is involved, the report must be made to any other member of management, the Municipal Manager and/or the Chairperson of the Audit Committee;
- All managers should report all allegations to the Municipal Manager who will initiate an investigation; and
- Should an employee wish to make a report anonymously, such a report may be made to any member of management, the Municipal Manager, the Chairperson of the Audit Committee and/ or the Mayor.

#### **Implementation structure**

Khâl- Ma Municipality will consider the establishment of a Fraud Prevention Committee whose responsibility will include the implementation of the Plan. This Committee will include champions from all faculties and other business units. The terms of reference of this team will include the following in relation to the Plan:

- Securing buy-in from all stakeholders;
- Information sharing;
- On going identification of weaknesses in systems and solutions;
- Creating awareness and ensuring adequate training and education to promote the Plan; and
- Assessing progress and on-going maintenance and review.

Notes: See Chapter 4 details of Disciplinary Action taken on cases of financial mismanagement (T4.3.6). MSA 2000 S83(c) requires providers to be chosen through a process which minimizes the possibility of fraud and corruption.

T2.7.1

## 2.8 SUPPLY CHAIN MANAGEMENT

### OVERVIEW SUPPLY CHAIN MANAGEMENT

Note: MFMA S110-119; SCM Regulations 2005; and relevant MFMA circulars set out required processes and guidance manuals to help ensure that SCM arrangements provide appropriate goods and services, offer best value for money and minimize the opportunities for fraud and corruption.

**Delete Directive note once comment is complete** - Provide brief narrative on your SCM policies and processes and indicate where practice in your municipality fails to attain the standards set out in Section 112 of the MFMA (see SCM Implementation checklist MFMA Circular 40). Refer to information on long term contracts which is set out in **Appendix H**. Explain remedial action being taken to address these shortfalls. Refer also to further comments set out under Financial Performance – Chapter 5, Component D.

T2.8.1

The municipality's supply chain processes are led by the MFMA, Supply Chain Regulations and Supply Chain Policy.

Formal written price quotations:

Quotations must be obtained from at least three different providers preferably from, but not limited to, providers whose names appear on the CSD, provided that if quotations are obtained from providers who are not listed, such providers must first register on the CSD before an order can be issued to them.

Competitive bids:

Goods or services above a transaction value of R200 000 (VAT included) and long term contracts may only be procured through a competitive bidding process, subject to paragraph 11 (2) of this Policy.

Committee system for competitive bids:

a) Bid specification committee:

Due to the lack of sufficient senior staff and two managers posts being vacant for longer than three years, the specification committee could not be established. The municipality used the engineers appointed to manage the projects on behalf of the municipality to prepare the tender documents. However, this was not acceptable by the Auditor-General.

b) Bid evaluation committee:

The Bid committee was appointed by the Municipal Manager. It consists of four committee members. A staff member of the Namakwa District Municipality was also appointed to strengthen the committee's technical skills and serve as an external specialist.

c) Bid adjudication committee:

The Bid committee was appointed by the Municipal Manager. It consists of four committee members with the CFO as chairperson. A staff member of the Namakwa District Municipality was also appointed to strengthen the committee due to the fact that the council does not have enough senior staff to serve on the committee.

In general, the supply chain regulation is complied with. If the regulation is not complied with, it must be reported to council.

## 2.9 BY-LAWS

By-laws Introduced during Year 1					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
Nil	Nil	Nil	N/a	Yes	28 April 2016
Note: See MSA section 13.					T2.9.1

### COMMENT ON BY-LAWS:

The by- laws on Law enforcement are not fully implemented since fines against the defaulters are not yet determined by Department of Justice and Constitutional Development after a period of 12 months of communication. Follow ups is in the process and it is anticipated to finish the process within the next financial year.

Khâ- MA Municipality does not have a law- enforcement unit which is a urgent need.

T2.9.1.1

## 2.10 WEBSITES



Municipal Website : Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	No	n/a
All current budget-related policies	No	n/a
The previous annual report (Year 0)	No	n/a
The annual report (Year 1) published/to be published	No	n/a
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 1) and resulting scorecards	No	n/a
All service delivery agreements (Year 1)	No	n/a
All long-term borrowing contracts (Year 1)	n/a	n/a
All supply chain management contracts above a prescribed value (give value) for Year 1	No	n/a
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	No	n/a
Contracts agreed in Year 1 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	No	n/a
Public-private partnership agreements referred to in section 120 made in Year 1	n/a	n/a
All quarterly reports tabled in the council in terms of section 52 (d) during Year 1	No	n/a
<i>Note: MFMA 575 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>		T2.10.1

#### COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

Website will be utilise more effectively hence and relevant documents will be published on it within the next financial year.

T2.10.1.1

## 2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

### PUBLIC SATISFACTION LEVELS

No survey was done during the financial year.

T2.11.1

Satisfaction Surveys Undertaken during: Year 0 and Year 1				
Subject matter of survey	Survey method	Survey date	No of people included in survey	Survey results indicating satisfaction or better (%)*
<b>Overall satisfaction with:</b>				
(a) Municipality	Not done	N/A	N/A	N/A
(b) Municipal Service Delivery	Not done	N/A	N/A	N/A
(c ) Mayor	Not done	N/A	N/A	N/A
<b>Satisfaction with:</b>		N/A	N/A	N/A
(a) Refuse Collection	Not done	N/A	N/A	N/A
(b) Road Maintenance	Not done	N/A	N/A	N/A
(c ) Electricity Supply	Not done	N/A	N/A	N/A
(d) Water Supply	Not done	N/A	N/A	N/A
(e) Information supplied by municipality to the public	Not done	N/A	N/A	N/A
(f) Opportunities for consultation on municipal affairs	Not done	N/A	N/A	N/A
* The percentage indicates the proportion of those surveyed that believed that relevant performance was at least satisfactory				T2.11.2

T2.11.2.1

### COMMENT ON SATISFACTION LEVELS:

See above

T2.11.2.2

## CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

### INTRODUCTION

#### VISION

“To improve the living standards and circumstances of residents with its limited resources, to ensure health and safety and to strengthen the local economy by creating an environment conducive to investment.”

#### MISSION

“It is Khâi-Ma Municipality’s mission to ensure affordable service delivery and sustainable economic development through good and transparent municipal governance and aggressive application of the Batho Pele Principles.”

#### STRATEGIC OBJECTIVES

##### Main objectives

- Provision of sustainable services to the inhabitants and maintain existing resources;
- Develop Municipality as institution through transformation and capacity building
- Promotion of local economic development through poverty alleviation, job creation, empowerment of the previous disadvantage people with capacity building in business skills and establishment of a climate for investment.
- Promote Sound financial management and Viability

##### Priorities

- Services Delivery
- Institutional Development and Transformation
- Local Economic Development
- Financial management and Viability
- Good Governance and Public Participation

T3.0.1

## COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

### INTRODUCTION TO BASIC SERVICES

Khâ- Ma Municipality rendered all basic services to its inhabitants except for electricity supply to inhabitants of Pella, Onseepkans and Witbank which is supplied by ESCOM. The Municipality did not use entities for rendering service.

T3.1.0

### 3.1. WATER PROVISION

#### INTRODUCTION TO WATER PROVISION

Khâ- Ma Municipality is a water service authority supplying water to the inhabitants of Onseepkans and Witbank. In the case of Pofadder and Pella Sedibeng Water Board supplies water to the Municipality for reticulation.

- Water supply for the higher situated households especially at Pella and Onseepkans is a concern, since some households had not had access to water every day.

The implementation of the multi- year Pofadder Bulk Water Supply Augment project for about R32 million for Pofadder commenced during the 2017/2018 financial, with IRCM as Consulting Engineers was appointed for professional services. The contractor to proceed on the construction phase was for phase 1- was appointed in the 2017/18 financial year.

Augmentation projects for Pella, Onseepkans and Witbank were also submitted to MIG.

The total number of households which had access to water is equal to 2468.

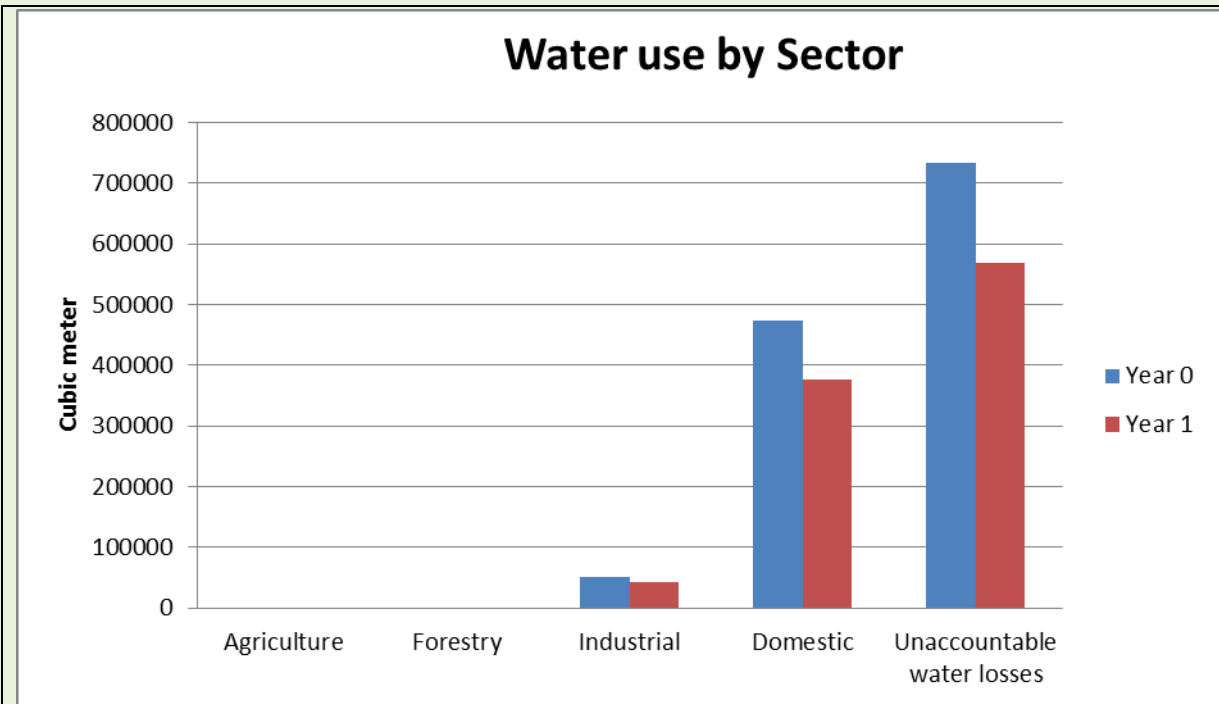
Blue drop status: Khâ- MA Municipality did not fully participate in the IRIS programme e.g blue drop.

Note: Recent legislation includes the Water Services Act 1997 and the General Enabling Act 200

T3.1.1

#### Total Use of Water by Sector (cubic meters)

	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
Year 0	0	0	50 010	473 571	734 354
Year 1	0	0	43 007	376 410	569 889
					T3.1.2



T3.1.2.1

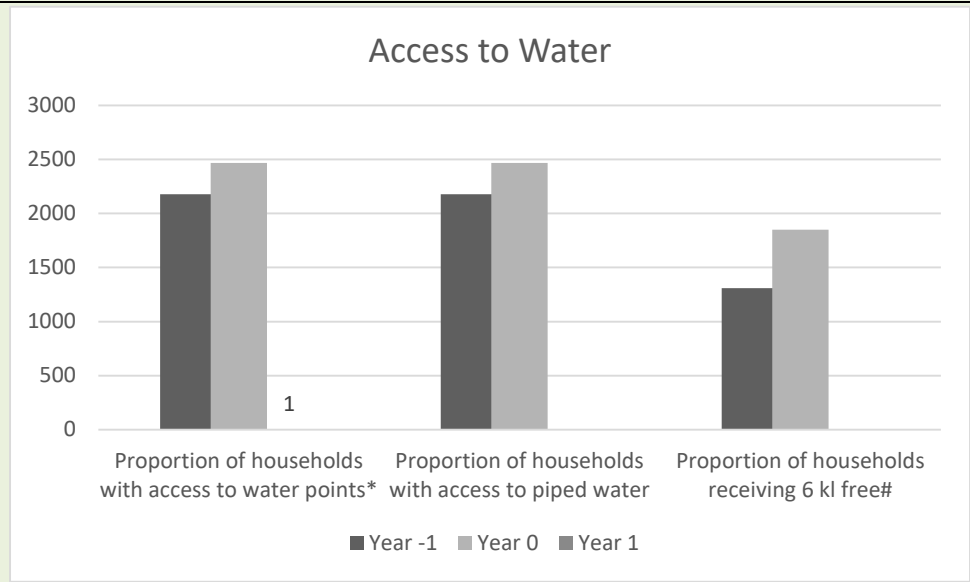
#### COMMENT ON WATER USE BY SECTOR:

The household demand decreased from the previous year. The losses is a challenge. Water leakages occurred which had been caused by broken pipes and defective toilet systems. The replacement of faulty water meters is also a challenge due to the lack of staff and the vastness of the municipal area.

T3.1.2.2

Water Service Delivery Levels				
Description	Year -2	Year -1	Year 0	Households Year 1
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<b>Water: (above min level)</b>				
Piped water inside dwelling	846	894	926	
Piped water inside yard (but not in dwelling)	1 032	1 290	1 542	
Using public tap (within 200m from dwelling )	0	0	0	0
Other water supply (within 200m)			0	0
<i>Minimum Service Level and Above sub-total</i>	1 878	2 184	2 468	2610
<i>Minimum Service Level and Above Percentage</i>	80%	89%	87%	97%
<b>Water: (below min level)</b>				
Using public tap (more than 200m from dwelling)			12	0
Other water supply (more than 200m from dwelling)	0	0	0	0
No water supply	496	486	120	81
<i>Below Minimum Service Level sub-total</i>	496	486	323	81
<i>Below Minimum Service Level Percentage</i>	21%	20%	2%	3%
<b>Total number of households*</b>	<b>2 361</b>	<b>2 448</b>	<b>2 588</b>	<b>2691</b>
* - To include informal settlements				T3.1.3

Households - Water Service Delivery Levels below the minimum						
Description	Year -2	Year -1	Year 0	Households Year 1		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
<b>Formal Settlements</b>						
Total households	2 310	2 330	2 350	2 691	2 691	2 691
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
<b>Informal Settlements</b>						
Total households	0	0	0	0	0	0
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
						T3.1.4



\* Means access to 25 liters of potable water per day supplied within 200m of a household and with a minimum flow of 10 liters per minute

# 6,000 liters of potable water supplied per formal connection per month

T3.1.5



Water Service Policy Objectives Taken From IDP									
Service Objectives  <div>Service Indicators</div> (i)	Outline Service Targets  (ii)	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Households without minimum water supply	Additional Households provided with minimum water supply during the year (Number of households (HHs) without supply at year end)	additional HHs (140 HHs outstanding)	264 additional HHs (140 HHs outstanding)	70 additional HHs ( 70 HHs outstanding)	xxxxxxxx additional HHs (xxxxxx HHs outstanding)	70 additional HHs (0 HHs outstanding)	80 additional HHs (0 HHs outstanding)	50 additional HHs (0 HHs outstanding)	50 additional HHs (0 HHs outstanding)
Improve reliability of water supply	Reduce the number of interruptions (Ints) in supply of one hour or more compared to the baseline of Year 0 (xxx interruptions of one hour or more during the yr)	T0% (xxxxxx Ints)	A0% (xxxxxx Ints)	T1% (xxxxxx Ints)	T1% (xxxxxx Ints)	A1% (xxxxxx Ints)	T2% (xxxxxx Ints)	T5% (xxxxxx Ints)	T5% (xxxxxx Ints)
Improve water conservation	Reduce unaccountable water levels compared to the baseline of Year 0 (xxx kilolitres (KLs) unaccounted for during the yr)	T0% (200 KLs)	A0% ( KLs)	T1% (xxxxxx KLs)	T1% (xxxxxx KLs)	A1% (xxxxxx KLs)	T2% (xxxxxx KLs)	T5% (xxxxxx KLs)	T5% (xxxxxx KLs)
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									
T3.1.6									

Employees: Water Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	5	5	0	0%
4 - 6	3	3	3	0	0%
7 - 9	1	1	1	0	0%
10 - 12	1	1	1	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	9	9	9	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.1.7

Financial Performance Year 1: Water Services					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	8701	9748	11134	10725	9%
Expenditure:					
Employees	2489	2298	3084	2826	19%
Repairs and Maintenance	935	526	579	982	46%
Other	8294	10479	11574	13221	21%
<b>Total Operational Expenditure</b>	11718	13303	15237	17029	22%
<b>Net Operational Expenditure</b>	-3017	-3555	-4103	-6304	44%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T3.1.8

Capital Expenditure Year 1: Water Services					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	5348	7124	7089	25%	
MIG 1359: Pofadder Bulk Water Supply Augmentation	4348	4096	4415	2%	32475
Onseepkans Bulkwater Supply	1000	3028	2318	57%	0
Pofadder Internal Reticulation	0	0	356	100%	0
Project D	0	0	0	#DIV/0!	0
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T3.1.9

**COMMENT ON WATER SERVICES PERFORMANCE OVERALL:**

The water purification plant in Melkbosrand is still a challenge. Viljoensdraai's households does not have access to water since the purification plant that is malfunction. The Pofadder Bulk Water Supply Augmentation Project commence in June 2017 and is complete during June 2019. The replacement of asbestos pipes phase 1 is also completed during July 2019. The project Onseepkans Bulkwater Supply started during March 2019 and was not completed on 30 June 2019.

T3.1.10

### 3.2 WASTE WATER (SANITATION) PROVISION

#### INTRODUCTION TO SANITATION PROVISION

Services are rendered in all towns except at Aggeneys. Consumer make use of septic tanks in case where a sewerage system is not available.

Only Pofadder has a sewerage system but not for the entire community.

Municipality has 4 (four) sewer truck available for rendering such services. Oxidation pounds need to be upgraded. Business Plans and applications were submitted to the relevant department for funding with the assistance of MISA.

T3.2.1

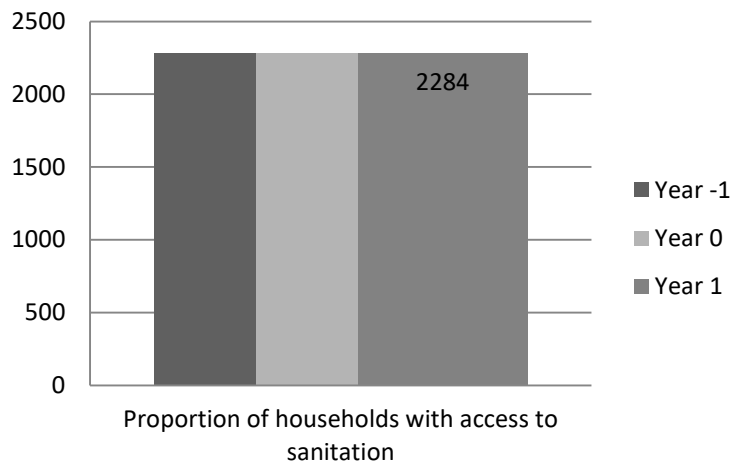


T3.2.2

Sanitation Service Delivery Levels				
Description	Year -2	Year -1	Year 0	Year 1
	Outcome	Outcome	Outcome	Actual
	No.	No.	No.	No.
<b><u>Sanitation/sewerage: (above minimum level)</u></b>				
Flush toilet (connected to sewerage)	1765	1 765	1 765	
Flush toilet (with septic tank)	140	140	140	
Chemical toilet	0	0	0	0
Pit toilet (ventilated)	396	396	396	369
Other toilet provisions (above min.service level)				
<i>Minimum Service Level and Above sub-total</i>	2 284	2 284	2 284	2 284
<i>Minimum Service Level and Above Percentage</i>	97,0%	97,2%	88,3%	85,0%
<b><u>Sanitation/sewerage: (below minimum level)</u></b>				
Bucket toilet	0	0	0	0
Other toilet provisions (below min.service level)	0	0	0	0
No toilet provisions	46	66	304	407
<i>Below Minimum Service Level sub-total</i>	0	0	0	0
<i>Below Minimum Service Level Percentage</i>	2,0%	2,8%	11,7%	15,0%
<b>Total households</b>	<b>2 330</b>	<b>2 350</b>	<b>2 588</b>	<b>2 691</b>
<b><i>*Total number of households including informal settlements</i></b>				<b>T3.2.3</b>

Households - Sanitation Service Delivery Levels below the minimum						
Description	Year -2	Year -1	Year 0	Year 1		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
<b>Formal Settlements</b>						
Total households	2300	2310	2350	2 588	2 588	2588
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
<b>Informal Settlements</b>						
Total households	0	0	0	0	0	0
Households ts below minimum service level	0	0	0	0	0	0
Proportion of households ts below minimum service level	0%	0%	0%	0%	0%	0%
<b>Note: No informal settlements, but informal structures in formal settl</b>						<b>T3.2.4</b>

## Access to Sanitation



T3.2.5





Employees: Sanitation Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	5	5	0	0%
4 - 6	0	0	0	0	0%
7 - 9	4	4	4	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	9	9	9	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

Financial Performance Year 1: Sanitation Services					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	1538	1288	1630	1668	23%
Expenditure:					
Employees	1172	2298	1695	1252	-84%
Repairs and Maintenance	16	52	57	36	-44%
Other	1493	1836	2053	1300	-41%
Total Operational Expenditure	2681	4186	3805	2588	-62%
Net Operational Expenditure	-1143	-2898	-2175	-920	-215%
					T3.2.8

Capital Expenditure Year 1: Sanitation Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	4000	2499	2408	-66%	2500
Upgrading of Sewerage Pumpsstation -Blyvooruitsig	4000	2499	2408	-66%	2500
	0	0	0	#DIV/0!	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.2.9

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

Dry pit systems are still in utilization at Pofadder, Pella, Onseepkans and Witbank. The inhabitants had complaints about the functionality of the systems and refer to have systems.

T3.2.10

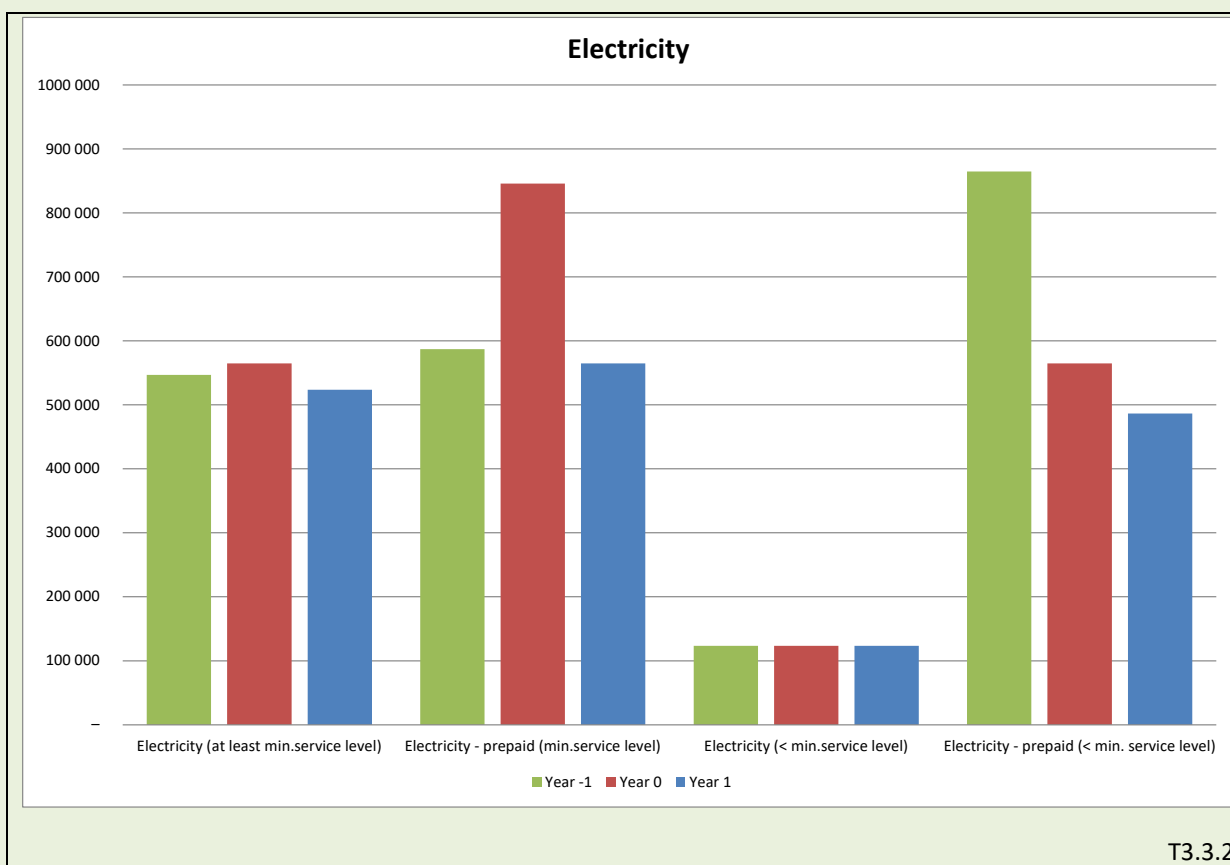
### 3.3 ELECTRICITY

#### INTRODUCTION TO ELECTRICITY

ESKOM provides services to the inhabitants of Aggeneys, Pella, Witbank and Onseepkans with the exception of Pofadder. The electricity infrastructure in Pofadder is obsolete. The municipality experience difficulties with regard to electricity distribution in Pofadder. Some of the RDP houses were connected during the year, but there is still infrastructure challenges.

Note: Recent legislation includes the Electricity Amendment Acts 1989; 1994; 1995; and the Electricity Regulation Act 2006.

T3.3.1



Electricity Service Delivery Levels				
Description	Year -2	Year -1	Year 0	Households Year 1
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<b><u>Energy: (above minimum level)</u></b>				
Electricity (at least min.service level)	43	43	43	
Electricity - prepaid (min.service level)	1 847	1 857	1 901	
<i>Minimum Service Level and Above sub-total</i>	1 890	1 900	1 944	2691
<i>Minimum Service Level and Above Percentage</i>	93,9%	92,8%	93,7%	100,0%
<b><u>Energy: (below minimum level)</u></b>				
Electricity (< min.service level)	–	–	–	–
Electricity - prepaid (< min. service level)	123	147	130	137
Other energy sources	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	123	147	130	137
<i>Below Minimum Service Level Percentage</i>	6,1%	7,2%	6,3%	5,1%
<b>Total number of households</b>	2 013	2 047	2 074	2 691
				<b>T3.3.3</b>

Households - Electricity Service Delivery Levels below the minimum						
Description	Year -2	Year -1	Year 0	Households Year 1		
	Actual	Actual	Actual	Original	Adjusted	Actual
	No.	No.	No.	Budget No.	Budget No.	No.
<b>Formal Settlements</b>						
Total households	2330	2350	2588	2691	2691	2691
Households below minimum service level	0	0	0	152	152	152
Proportion of households below minimum service level	0%	0%	0%	6%	6%	6%
<b>Informal Settlements</b>						
Total households	0	0	0	0	0	0
Households ts below minimum service level	0	0	0	0	0	0
Proportion of households ts below minimum service level	0	0	0	0	0	0
<b>Note: No informal settlements, but informal structures within formal settlements</b>						<b>T3.3.4</b>

Electricity Service Policy Objectives Taken From IDP									
Service Objectives  <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
<i>Provision of minimum supply of electricity</i>	Additional households (63 HHs) provided with minimum supply during the year (Number of HHs below minimum supply level)	63 additional HHs (xxxxxx HHs below minimum)	63 additional HHs (xxxxxx HHs below minimum)	100 additional HHs (xxxxxx HHs below minimum)	100 additional HHs (xxxxxx HHs below minimum)	100 additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)	xxxxxx additional HHs (xxxxxx HHs below minimum)
	Application for Increase of Maximum demand				1	1			
<i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i>									
T3.3.5									



Employees: Electricity Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	#DIV/0!
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	1	1	1	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	1	1	1	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.  
 \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.3.6

Financial Performance Year 1: Electricity Services					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	7645	9133	10839	8950	-2%
Expenditure:					
Employees	776	771	859	759	-2%
Repairs and Maintenance	113	272	304	61	-346%
Other	14588	12183	12421	12308	1%
Total Operational Expenditure	15477	13226	13584	13128	-1%
Net Operational Expenditure	-7832	-4093	-2745	-4178	2%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T3.3.7

Capital Expenditure Year 1: Electricity Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	1650	1650	1071	-54%	1650
Electricity connections	1650	1650	1071	-54%	1650
	0	0	0	#DIV/0!	
	0	0	0	#DIV/0!	

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

T3.3.8

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

**Delete Directive note once comment's completed** – Explain the priority of the four largest capital projects and explain variances from budget for operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the performance on agreements reached with ESKOM if not already covered. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 1 and/or previous year actuals, or expected future variations).

T3.3.9

### 3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

#### INTRODUCTION TO WASTE MANAGEMENT

Refuse removal services are rendered in all towns except Aggeneys. Garbage should be removed once a week, but due to a shortage of refuse truck the service lack at Onseepkans. Three of the four landfill sites are registered. The site of Aggeneys is not registered. All the other landfill sites needs to be rehabilitated. More refuse were dumped during the year due to the influx of people into the Pofadder area. It creates problems because the landfill site is obsolete.

Another landfill site has to be developed as soon as possible to avoid further dumping around the obsoleted one which are polluting the environment.

Item 3.4.4 cannot be completed due to challenge to comply with requirements

Households - Solid Waste Service Delivery Levels below the minimum						
Description	Year -2	Year -1	Year 0	Year 1		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
<b>Formal Settlements</b>						
Total households	2 330	2 350	2550	2691	2691	2691
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
<b>Informal Settlements</b>						
Total households	0	0	0	0	0	0
Households ts below minimum service level	0	0	0		0	0
Proportion of households ts below minimum service level	0%	0%	0%	0%	0%	0%
Note: No informal settlements exist, but informal structure in formal settlements						T3.4.3

T3.4.1

Solid Waste Service Delivery Levels				
Description	Year -2	Year -1	Year 0	Households Year 1
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
<b><u>Solid Waste Removal: (Minimum level)</u></b>				
Removed at least once a week	2 201	2 295	2 450	2 691
<i>Minimum Service Level and Above sub-total</i>	2 201	2 295	2 450	2 691
<i>Minimum Service Level and Above percentage</i>	94%	98%	95%	100,0%
<b><u>Solid Waste Removal: (Below minimum level)</u></b>				
Removed less frequently than once a week				
Using communal refuse dump	61	42	0	24
Using own refuse dump	0	13	0	81
Other rubbish disposal	0	0	129	81
No rubbish disposal	78	48	0	646
<i>Below Minimum Service Level sub-total</i>	61	55	129	832
<i>Below Minimum Service Level percentage</i>	3%	2%	5%	76,0%
<b>Total number of households</b>	<b>2330</b>	<b>2 350</b>	<b>2 588</b>	<b>2 691</b>
				<b>T3.4.2</b>

Households - Solid Waste Service Delivery Levels below the minimum						
Description	Year -2	Year -1	Year 0	Year 1		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
<b>Formal Settlements</b>						
Total households	2 330	2 350	2550	2691	2691	2691
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
<b>Informal Settlements</b>						
Total households	0	0	0	0	0	0
Households ts below minimum service level	0	0	0		0	0
Proportion of households ts below minimum service level	0%	0%	0%	0%	0%	0%
<b>Note: No informal settlements exist, but informal structure in formal settlements</b>				<b>T3.4.3</b>		



Employees: Solid Waste Magement Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	5	5	0	0%
4 - 6	3	3	3	0	0%
7 - 9	1	1	1	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	
19 - 20	0	0	0	0	
Total	9	9	9	0	0%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</p> <p>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p> <p style="text-align: right;">T3.4.5</p>					

Employees: Waste Disposal and Other Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	0%
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</p> <p>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p> <p style="text-align: right;">T3.4.6</p>					

Financial Performance Year 1: Solid Waste Management Services					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	1325	1320	1485	1531	14%
Expenditure:					
Employees	1097	2298	1605	1023	-125%
Repairs and Maintenance	36	53	59	42	-26%
Other	7149	1913	2529	275	-596%
<b>Total Operational Expenditure</b>	8282	4264	4193	7340	42%
<b>Net Operational Expenditure</b>	-6957	-2944	-2708	-5809	49%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.4.7

Financial Performance Year 1: Waste Disposal and Other Services					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>					#DIV/0!
Expenditure:					
Employees					#DIV/0!
Repairs and Maintenance					#DIV/0!
Other					#DIV/0!
<b>Total Operational Expenditure</b>					#DIV/0!
<b>Net Operational Expenditure</b>					#DIV/0!
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.4.8

Capital Expenditure Year 1: Waste Management Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	#DIV/0!	
	0	0	0	#DIV/0!	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.4.9



COMMENT ON WASTE MANGEMENT SERVICE PERFORMANCE OVERALL:

Waste management is a big challenge, especially with littering, illegal dumping, non- compliance with landfill site requirements, theft and vandalism.

T3.4.10

### 3.5 HOUSING

#### INTRODUCTION TO HOUSING

The function of supplying low cost housing is vested in the provincial department of COGHSTA. This Municipality kept a need register which contains the details of those inhabitants in need and availing of stands for the erection of the houses.

No houses were built during the financial year. Vedanta Resources plc/ Abengoa Solar assisted financially with the survey of a total number of 120 erven at Pella (29), Pofadder (88) and Witbank (30).

Abengoa Solar also runs a project of erecting a number 52 houses in total in Pofadder, Onseepkans and Witbank.

The process was delay by geotech reports.

T3.5.1

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
Year -2	0	0	#DIV/0!
Year -1	2218	1312	59,2%
Year 0	2226	1332	59,8%
Year 1	2691	2116	78, 63%
T3.5.2			



Employees: Housing Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	0%
<i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.  *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i>					

T3.5.4

Financial Performance Year 1: Housing Services					
					R'000
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	0	0	0	0	#DIV/0!
Expenditure:					
Employees	0	0	0	0	#DIV/0!
Repairs and Maintenance	0	0	0	0	#DIV/0!
Other	0	0	0	0	#DIV/0!
<b>Total Operational Expenditure</b>	0	0	0	0	#DIV/0!
<b>Net Operational Expenditure</b>	0	0	0	0	#DIV/0!
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.5.5

Capital Expenditure Year 1: Housing Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
Project A	0	0	0	0	
Project B	0	0	0	0	
Project C	0	0	0	0	
Project D	0	0	0	0	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.)</i>					T3.5.6

**COMMENT ON THE PERFORMANCE OF THE HOUSING SERVICE OVERALL:**

Construction of houses is managed by Department of COGHSTA. Municipality feeds housing needs register and provides stands for the construction of the houses.

T3.5.7

### 3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

#### INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

Total households which received indigent support are as follows:

Free basic water @ 6 kl per household per month: 1888

Free basic electricity @ 50 KWa per household per month: 1427

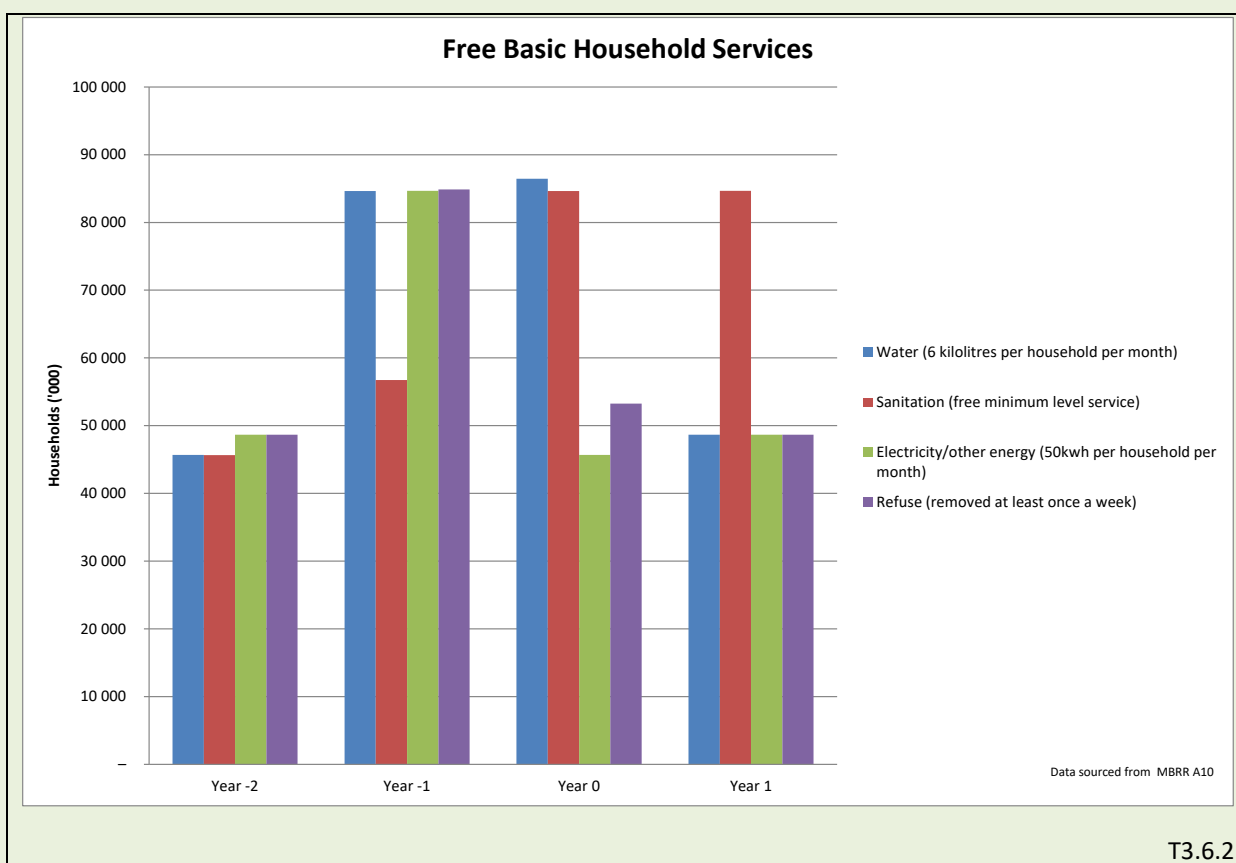
Free basic sanitation:1653

Free basic refuse:1848

Amount of Subsidy paid per month per = R535.37

**Delete Directive note once comment is complete** – Provide brief introductory comments on the progress being made to achieve Free Basic Services and summarise your municipality’s policies towards indigent support.

T3.6.1



T3.6.2

Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R3.500 per month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
Year -1	7 900	5 920	1 828	29%	1 652	28%	635	11%	1 805	30%
Year 0	8 054	5 978	1 844	31%	1 653	28%	637	11%	1 844	31%
Year 1	8 295	6 022	1 860	31%	1 655	27%	648	11%	1 859	31%
T3.6.3										

Financial Performance Year 1: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	Year 0	Year 1			
	Actual	Budget	Adjustment	Actual	Variance to
Water	7127	9288	9160	11890	22%
Waste Water (Sanitation)	1464	2286	2289	1413	-62%
Electricity	7554	6229	6403	6408	3%
Waste Management (Solid Waste)	5867	3021	2970	5199	42%
Total	22012	20824	20822	24910	16%
T3.6.4					





COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

**Reviewed** Indigence policy 2018/2019 financial year

Based on the level of poverty, the number of households that qualify for basic free services and the amount to be appropriated for the purpose of indigence policy is as follows:

- a. Households classified as indigent/ needy where the total gross income of the residents of a household over the age of 18 years and parent's income is less than or equal than the income that two social grants together earned (monthly social grants paid by the Department of Welfare, etc..) qualify for 100% subsidy on basic services viz. Garbage, Sanitation, Water plus 6kl water free and 50 kwh electricity as prescribed nationally.
- b. Households who believe that they qualify must register with the local Municipal Office or the nearest office of the Municipal Council area. **A list of the connection are available at the office.**
- c. Free 6 kl of water will be provided to each poor household. If the 6 kl limit is exceeded the difference must be paid by the consumer. If a household continue not to pay the difference in the Council shall have the right to limit the flow of water.
- d. Traps will not be installed at public taps.
- e. **Poor households owning more than one (1) property, will only be subsidized for one (1) property.**

MUNICIPAL MANAGER

COUNCIL RESOLUTION 30/05/2019

Lack of implementing credit control caused that consumers utilised more than the free basic water of 6 kl without paying for the additional consumption. Leakages of toilet systems and pipes

During the IDP participation process communities indicated their acceptance of the installation of pre- paid water meters.

**Delete Directive note once comment's completed** – Comment on the support given to low earners and in particular those affected by shortfalls in basic service provision. Provide detail of indigent policy, expenditure and grants received in year 1 and explain how these have been translated into programmes designed to improve levels of self sufficiency.

T3.6.6

## COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (storm water drainage).

### INTRODUCTION TO ROAD TRANSPORT

**Delete Directive note once comment's completed** - Provide brief introductory comments on the strategy, priorities and provision regarding road development and maintenance and transport including public bus services.

T3.7.0

## 3.7 ROADS

### INTRODUCTION TO ROADS

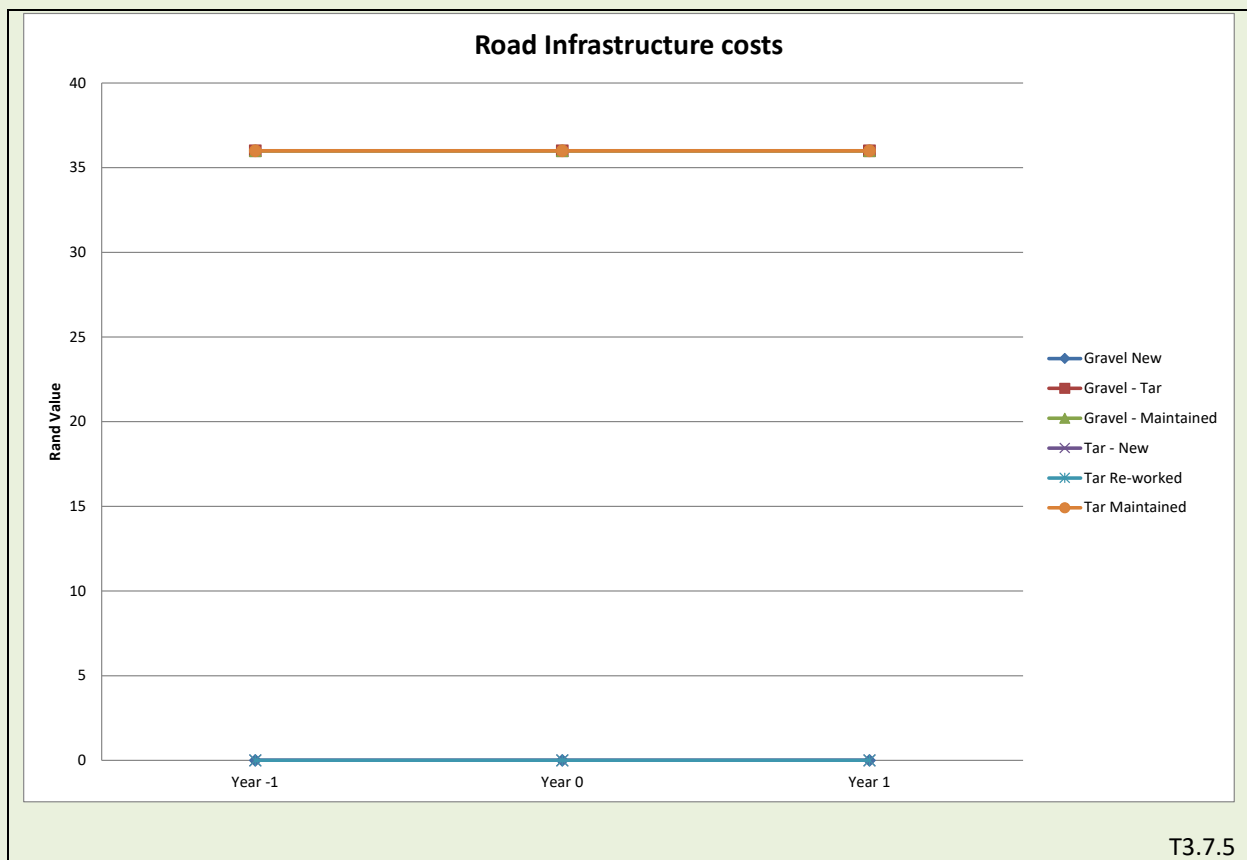
**Delete Directive note once comment is complete** – Explain in brief your Roads strategy, the steps taken towards the implementation of the strategy and discuss the major successes achieved and challenges faced in year 1 (include your top 3 service delivery priorities and the impact you have had on them during the year). Set out measures taken to improve performance and the major efficiencies achieved by your service during the year. Refer to support given to those communities that are living in poverty. Give the name and extent of service provision of any municipal entity(ies) responsible for rendering Roads Services within the municipality.

T3.7.1

Gravel Road Infrastructure				Kilometers
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to paved	Gravel roads graded/maintained
Year -1	36,484	0	1.867	0
Year 0	36.484	0	1.867	0
Year 1	36.484	0	1.867	0
				T3.7.2

Tarred Road Infrastructure					Kilometers
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
Year -1	9,127	0	0	0	0
Year 0	9,127	0	0	0	0
Year 1	9,127	0	0	0	0
					T3.7.3

Cost of Construction/Maintenance						R' 000
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
Year -1	0	36	36	0	0	36
Year 0	0	36	36	0	0	36
Year 1	0	36	36	0	0	36
						T3.7.4







Employees: Road Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	#DIV/0!
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	#DIV/0!
<i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.  *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i>					

T3.7.7

Financial Performance Year 1: Road Services					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	1238	296	47	47	-530%
Expenditure:					
Employees	387	766	627	415	-85%
Repairs and Maintenance	300	53	53	113	53%
Other	1547	1570	1370	979	-60%
<b>Total Operational Expenditure</b>	2234	2389	2050	1507	-59%
<b>Net Operational Expenditure</b>	-996	-2093	-2003	-1460	-43%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.7.8

Capital Expenditure Year 1: Road Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	#DIV/0!	
	0	0	0	#DIV/0!	0
	0	0	0	#DIV/0!	0
	0	0	0	#DIV/0!	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.7.9



COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The roads in the Municipal area are in a very poor state. Vedanta donated a second hand grader to the municipality but is not in very good condition.

T3.7.10

### 3.8 TRANSPORT (INCLUDING VEHICLE LICENSING & PUBLIC BUS OPERATION)

#### INTRODUCTION TO TRANSPORT

Khâ- Ma Municipality does not render such service.

T3.8.1

Municipal Bus Service Data					
	Details	Year 0	Year 1		Year 2
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Passenger journeys	N/a	N/a	N/a	N/a
2	Seats available for all journeys	N/a	N/a	N/a	N/a
3	Average Unused Bus Capacity for all journeys	N/a	N/a	N/a	N/a
4	Size of bus fleet at year end	N/a	N/a	N/a	N/a
5	Average number of Buses off the road at any one time	N/a	N/a	N/a	N/a
6	Proportion of the fleet off road road at any one time	N/a	N/a	N/a	N/a
7	No. of Bus journeys scheduled	N/a	N/a	N/a	N/a
8	No. of journeys cancelled	N/a	N/a	N/a	N/a
9	Proportion of journeys cancelled	N/a	N/a	N/a	N/a

T3.8.2

Concerning T3.8.2

**Delete Directive note once table is complete** – State name of entity followed by ‘Entity’ where this is applicable. Line 3 is calculated by sampling throughout the year using different routes, days of the week and times of day. Line 6 is calculated by taking the numbers from lines, as follows:  $5/4 \times 100\%$ . The average number of busses off the road is obtained by sampling the number off the road on different days at different times. Line 9 is calculated by taking numbers from lines as follows:  $8/7 \times 100\%$ .

T3.8.2.1

Transport Service Policy Objectives Taken From IDP									
Service Objectives  <div>Service Indicators (i)</div>	Outline Service Targets  (ii)	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
NOT APPLICABLE									
<p>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 1 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</p>									
T3.8.3									

Employees: Transport Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	N/A	N/A	N/A	N/A	N/A
4 - 6	N/A	N/A	N/A	N/A	N/A
7 - 9	N/A	N/A	N/A	N/A	N/A
10 - 12	N/A	N/A	N/A	N/A	N/A
13 - 15	N/A	N/A	N/A	N/A	N/A
16 - 18	N/A	N/A	N/A	N/A	N/A
19 - 20	N/A	N/A	N/A	N/A	N/A
Total	N/A	N/A	N/A	N/A	N/A
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</i></p> <p><i>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p>					

T3.8.4

Financial Performance Year 1: Transport Services					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	N/A	N/A	N/A	N/A	N/A
Expenditure:	N/A	N/A	N/A	N/A	N/A
Employees	N/A	N/A	N/A	N/A	N/A
Repairs and Maintenance	N/A	N/A	N/A	N/A	N/A
Other	N/A	N/A	N/A	N/A	N/A
Total Operational Expenditure	N/A	N/A	N/A	N/A	N/A
Net Operational Expenditure	N/A	N/A	N/A	N/A	N/A
<p><i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i></p>					T3.8.5

Capital Expenditure Year 1: Transport Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	N/A	N/A	N/A	N/A	N/A
		N/A	N/A	N/A	N/A
Project A	N/A	N/A	N/A	N/A	N/A
Project B	N/A	N/A	N/A	N/A	N/A
Project C	N/A	N/A	N/A	N/A	N/A
Project D	N/A	N/A	N/A	N/A	N/A
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.8.6

COMMENT ON THE T PERFORMANCE OF TRANSPORT OVERALL:

**Delete Directive note once comment's completed** - Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 1 and/or previous year actuals, or expected future variations).

T3.8.7

### 3.9 WASTE WATER (STORMWATER DRAINAGE)

#### INTRODUCTION TO STORMWATER DRAINAGE

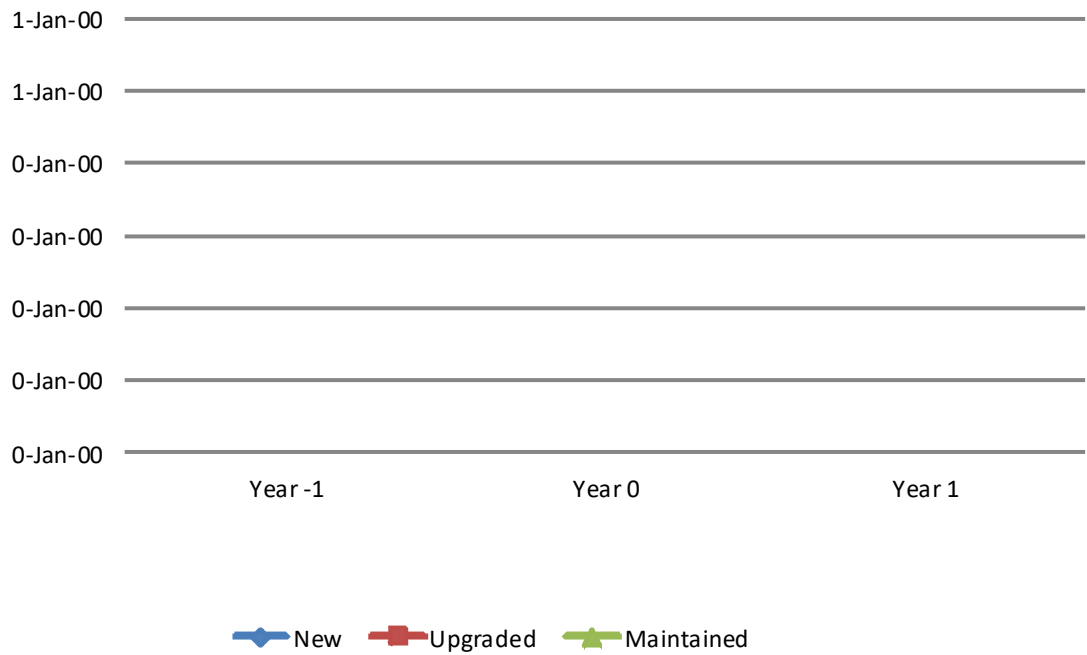
**Delete Directive note once comment is complete** – Provide brief introductory comments on the progress being made to improve stormwater drainage and discuss the major successes achieved and challenges faced in year 1 (include your top 3 service delivery priorities and the impact you have had on them during the year). Set out measures taken to improve performance and the major efficiencies achieved by your service during the year. Refer to support given to informal settlement and rural development. Refer to support given to those communities that are living in poverty. Give the name and extent of service provision of any municipal entity(ies) responsible for rendering Stormwater Drainage Services within the municipality.

T3.9.1

Stormwater Infrastructure				Kilometers
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
Year -1	0	0	0	0
Year 0	0	0	0	0
Year 1	0	0	0	0
				T3.9.2

Cost of Construction/Maintenance				R' 000
	Stormwater Measures			
	New	Upgraded	Maintained	
Year -1	0	0	0	
Year 0	0	0	0	
Year 1	0	0	0	
				T3.9.3

## Stormwater infrastructure costs



T3.9.4





Employees: Stormwater Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	0%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</i></p> <p><i>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p> <p style="text-align: right;"><i>T3.9.6</i></p>					

Financial Performance Year 1: Stormwater Services					
					R'000
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>					#DIV/0!
Expenditure:					
Employees					#DIV/0!
Repairs and Maintenance					#DIV/0!
Other					#DIV/0!
<b>Total Operational Expenditure</b>					#DIV/0!
<b>Net Operational Expenditure</b>					#DIV/0!
<p><i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i></p> <p style="text-align: right;"><i>T3.9.7</i></p>					

Capital Expenditure Year 1: Stormwater Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All				#DIV/0!	
Project A				#DIV/0!	280
Project B				#DIV/0!	150
Project C				#DIV/0!	320
Project D				#DIV/0!	90
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.9.8

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

Storm water drainage needs attention when gravel roads are paved. The municipality does not have only with the paving of roads.

**Delete Directive note once comment's completed** – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 1 and/or previous year actuals, or expected future variations).

T3.9.9

## COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

### INTRODUCTION TO PLANNING AND DEVELOPMENT

The Municipal manager, supported by an IDP and LED Officer is responsible for planning and development. The position of IDP officer was filled with effect from 1 October 2016, but LED was not functional.

Public participation took place as prescribed by legislation, though not to satisfaction.

The Municipality's IDP, in terms of legislation for the period, 2017/2018- 2021/2022 was revised during the financial year.

T3.10.0

## 3.10 PLANNING

### INTRODUCTION TO PLANNING

The Municipality's spatial development is in revision to be completed in the next financial year. A LUMS is also in the process to be developed.

T3.10.1

Applications for Land Use Development						
Detail	Formalisation of Townships		Rezoning		Built Enviroment	
	Year 0	Year 1	Year 0	Year 1	Year 0	Year 1
Planning application received	0	0	0	0	0	0
Determination made in year of receipt	0	0	0	0	0	0
Determination made in following year	0	0	0	0	0	0
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	0	0	0	0	0	0
						T3.10.2

Planning Policy Objectives Taken From IDP									
Service Objectives  <i>Service Indicators</i> (i)	Outline Service Targets  (ii)	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
<b>Determine planning application within a reasonable timescale</b>	Approval or rejection of all build enviroment applications within a x weeks	Determination within x weeeeks	Determination within x weeeeks	Determination within 12 weeeeks	Determination within 12 weeeeks	Determination within x weeeeks	Determination within 11 weeeeks	Determination within 8 weeeeks	Determination within 8 weeeeks
	Reduction in planning decisions overturned	X planning decisions overturned	X planning decisions overturned	5% planning decisions overturned	5% planning decisions overturned	X planning decisions overturned	4% planning decisions overturned	No planning decisions overturned	No planning decisions overturned
<i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i>									
T3.10.3									

Employees: Planning Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	1	1	1	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	1	1	1	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.

\*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.10.4

#### COMMENT ON THE PERFORMANCE OF PHYSICAL PLANNING OVERALL:

**Delete Directive note once comment's completed** - Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 1 and/or previous year actuals, or expected future variations).

T3.10.7

### 3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

#### INTRODUCTION TO ECONOMIC DEVELOPMENT

Municipality has to review its Local Economic Development (LED) Strategy. This exercise will be facilitated by the Department of Economic Development and Tourism, but can only commence in the next financial year.

As outlined in the LED Framework it is important to highlight the unique economic and geographical characteristics of the Municipality in order to arrive at the final prediction of the economy at local level.

Being located in the centre of the Namakwa District it is further located between the main economic centres of the Northern Cape, i.e. Springbok and Upington. Not only has this location road-transport benefits but it largely present opportunities from trade and retail and further broadens the scope for tourism and renewable development.

According to the mentioned LED Framework considerable attention has to be given to the following activities and the development potential of Municipality:

Mineral deposits and mining related development in the area – Mining related legislation also presents other economic opportunities through Social and Labour Plans.

Black Mountain: Is a mining Company and is mining Copper and Iron Ore Originated from Britain, which started mining in region in 1994 by a British man: F Dodge. In 1999, F Dodge sells the mining business to Anglo American Plc Group and Anglo Group sell over to Vedanta in 2009.

Current Challenges and Dilemmas for LED in

- The shortage of appropriate labour skills in the area is a central constraint to investment and development
- The economic and cash flow situation of the Municipality is under pressure at present. The necessary steps and precautionary measurements should be identified and implemented. The poor payment culture by some Residents contributes to the problem and was analysed during this phase.
- The LED Unit has only an operational budget available for travelling and accommodation but has not budget for programmes. Main source of LED project funding is through MIG and EPWP funding.
- The LED officer has been appointed and the forum will be established.
- After establishment of the LED Forum, one of their focuses will be to solve functional challenges such as the non-participation of the private sectors and government.
- Municipality still need to develop an LED Policy to ensure that council takes a principle position on how it commits to LED.
- Skills Development Policy should be developed, looking at the Municipality's response to the big skills challenge they face
- Municipality also need to look at other current LED stimulating policies such as the Property Rates Policy and Land Policy

Public Private Partnerships

According to the MFMA regulations Public Private Partnerships (PPP's) are commercial transactions between a Municipality and a private party in terms of which the private party –

- a) Performs a municipal function for or on behalf of a municipality, or acquired the management or use of municipal property for its own commercial purposes, or performs both a municipal function for or on behalf of a municipality and acquired the management or use of municipal property for its own commercial purposes.
- b) Assumes substantial financial, technical and operational risks in connection with –
  - i) the performance of the municipal function;
  - ii) the management or use of the municipal property; or
  - iii) both; and
- c) Receives a benefit from performing the municipal function, from utilizing the municipal property or from both, by way of –
  - i) consideration to be paid or given by the municipality or a municipal entity under the sole or shared control of the municipality;
  - ii) charges or fees to be collected by the private party from users or customers of a service provided to them; or
  - iii) a combination

Strategically, partnership contracts enhance accountability by clarifying responsibilities and focusing on the key deliverables of a service. Our managerial efficiency can benefit significantly as existing financial, human and management resources can be refocused on strategic functions.

LED Opportunities in:

#### Agriculture

- Involve local farmers in LED Forum
- Invite Ornamental Plant Institute of the ARC to provide information and assistance to local farmers
- Make land available for agricultural cooperatives and emerging farmers
- Establish informal trading areas for agricultural produce
- Provide skills training and support programmes. Investigate the role of Agri-SETA

#### Mining

- Establish a permanent working group between the Municipality and the mine managers responsible for developing Plans
- Develop a database of available labour and skills to encourage the employment of local people
- Provide skills training and support programmes
- Instigate mining procurement opportunities in consultation with the mines, develop a database of such opportunities and ensure that this information is made available to local businesses and communities
- Develop a small scale Mining Strategy

#### Tourism

- The Municipality should develop and implement an aggressive marketing strategy
- Tourism opportunities should be packed and marketed accordingly
- New Tourism Opportunities should be explored and communicated through the LED forum.

T3.11.1

Economic Activity by Sector			
			R '000
Sector	Year -1	Year 0	Year 1
Agric, forestry and fishing			
Mining and quarrying			
Manufacturing			
Wholesale and retail trade			
Finance, property, etc.			
Govt, community and social services			
Infrastructure services			
Total			
			T3.11.2

Economic Employment by Sector			
			Jobs
Sector	Year -1 No.	Year 0 No.	Year 1 No.
Agric, forestry and fishing			
Mining and quarrying			
Manufacturing			
Wholesale and retail trade			
Finance, property, etc.			
Govt, community and social services			
Infrastructure services			
Total			
			T3.11.3

COMMENT ON LOCAL JOB OPPORTUNITIES:

**Delete Directive note once comment's completed** - Comment briefly on the short and longer term prospects for economic growth and development referring to the above. Include in this section references to Tourism and Market Places (including street traders)

T3.11.4



<b>Jobs Created during Year 1 by LED Initiatives (Excluding EPWP projects)</b>				
Total Jobs created / Top 3 initiatives	Jobs created  No.	Jobs lost/displaced by other initiatives  No.	Net total jobs created in year  No.	Method of validating jobs created/lost
Total (all initiatives)				
Year -1				
Year 0				
Year 1				
Initiative A (Year 1)				
Initiative B (Year 1)				
Initiative C (Year 1)				
				T3.11.5

<b>Job creation through EPWP* projects</b>		
Details	No of EPWP Projects	No of Jobs created through EPWP projects
Year -1	1	30
Year 0	1	30
Year 1	1	100
* - Extended Public Works Programme		T3.11.6



Employees: Local Economic Development Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	1	1	1	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	1	1	1	0	0%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					

Financial Performance Year 1: Local Economic Development Services					
R' 000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	#DIV/0!
Expenditure:					
Employees	775	1408	1229	843	-67%
Repairs and Maintenance	0	0	0	0	#DIV/0!
Other	67	252	275	65	-288%
Total Operational Expenditure	842	1660	1504	908	-83%
Net Operational Expenditure	-842	-1660	-1504	-908	-83%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.11.9

Capital Expenditure Year 1: Economic Development Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All				#DIV/0!	
Project A				#DIV/0!	
Project B				#DIV/0!	
Project C				#DIV/0!	
Project D				#DIV/0!	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.11.10

COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

The appointment of a full LED officer is crucial for undivided attention to this function. Such appointment will enable the Municipality to keep an updated database of unemployment people, monitor appointments in different projects, assists inhabitants to established companies to boost SMME development and assist management to give full reports to council.

T3.11.11

## COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

### INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

***Delete Directive note once comment is complete*** – Provide brief introductory comments. Refer to support given to those communities that are living in poverty.

T3.52.0

### 3.52 LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

#### INTRODUCTION TO LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

Libraries is functional at Pofadder, Aggeneys, Pella, Onseepkans and Witbank being funded by Department of Sport, Arts and Culture. The available funds are to be made available for the following purposes:  
Improving staff capacity (Library Transformation Programme) at the community libraries in the municipalities;  
Funding for Library Current Awareness;  
Funding for Library Usage and Promotion;  
Funding for Library Development.

The transfer of funds for the Library Development program is dependent on the approval of a submitted business plan, in line with the Funding criteria and on the formats as prescribed.

Onseepkans needs a new library since a mobile unit is

The incumbents of Onseepkans and Witbank is part of the Department's payroll.

Community Halls at Pofadder, Pella, Sending, Viljoensdraai and Sending has to be maintained to ensure readiness for use by the communities.

Sport stadiums have to be guarded to prevent vandalism and damages.

T3.52.1

#### SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

See T3.52.3

Not applicable to museums, galleries, and other (Theatres, zoos, etc.

T3.52.2

Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	2	2	2	0	0%
4 - 6	3	3	3	0	0%
7 - 9	0	0	0	0	0%
10 - 12	2	2	2	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	7	7	7	0	0%
<i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.  *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i>					
					T3.52.4

Financial Performance Year 1: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	813	708	708	698	-1%
<b>Expenditure:</b>					
Employees	1095	1423	1436	1161	-23%
Repairs and Maintenance	2	0	0	0	#DIV/0!
Other	101	90	141	403	78%
<b>Total Operational Expenditure</b>	1198	1513	1577	1564	3%
<b>Net Operational Expenditure</b>	-385	-805	-869	-866	7%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference</i>					T3.52.5

Capital Expenditure Year 1: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	#DIV/0!	
				#DIV/0!	0
				#DIV/0!	0
				#DIV/0!	0
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.52.6

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:

Community halls at Pofadder (floors), Sending (ceiling, windows, fencing), Viljoensdraai (windows) and Melkbosrand (water supply) have to be maintained to ensure it is ready for utilization by the communities.

T3.52.7

### 3.55 CEMETORIES AND CREMATORIALS

#### INTRODUCTION TO CEMETORIES & CREMATORIALS

The Municipality own no crematoriums, but have to develop new cemeteries for Pella, since the existing one is exhausted. A temporary cemetery at Pella with the approval of Department of Environmental Affairs are utilised by the community for burying the beloved ones. A private company, Lebogang Funeral services, manages a mortuaries at Pofadder. A mortuary is also managed by the community health centre at Pofadder.

Onseepkans does not have a mortuary and bodies are kept at mortuaries away from the community.

T3.55.1

#### SERVICE STATISTICS FOR CEMETORIES & CREMATORIALS

See introduction

T3.55.2

Cemeteries and Crematoriums Policy Objectives Taken From IDP									
Service Objectives   <i>Service Indicators</i> (i)	Outline Service Targets   (ii)	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *Current Year' refers to the targets set in the Year 1 Budget/IDP round. *Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									T3.55.3



Employees: Cemeteries and Crematoriums					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	#DIV/0!
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</p> <p>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>					

T3.55.4

Financial Performance Year 1: Cemeteries and Crematoriums					
					R'000
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	13	13	0	#DIV/0!
Expenditure:					
Employees	112	174	172	112	-55%
Repairs and Maintenance	2	53	53	0	#DIV/0!
Other	56	148	172	89	-66%
Total Operational Expenditure	170	375	397	201	-87%
Net Operational Expenditure	-170	-362	-384	-201	-80%
<p>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</p>					T3.55.5

Capital Expenditure Year 1: Cemeteries and Crematoriums					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	#DIV/0!	
Project A	0	0	0	#DIV/0!	0
Project B	0	0	0	#DIV/0!	0
Project C	0	0	0	#DIV/0!	0
Project D	0	0	0	#DIV/0!	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.55.6

#### COMMENT ON THE PERFORMANCE OF CEMETERIES & CREMATORIUMS OVERALL:

Only the cemetery in Pofadder- reserved for the previous advantage community is the property of council. All the other cemeteries is the property of and are maintained by Local Churches for many years.

Pofadder's community needs a new cemetery.

T3.55.7

### 3.56 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

#### INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Not applicable to this Municipality. This functions is managed by Dept. Social Services.

T3.56.1

#### SERVICE STATISTICS FOR CHILD CARE

See Introduction (T3.56.1)

T3.56.2

Child Care; Aged Care; Social Programmes Policy Objectives Taken From IDP									
Service Objectives  <i>Service Indicators</i>  (i)	Outline Service Targets  (ii)	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	 (iv)	*Previous Year (v)	*Current Year (vi)	 (vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Not applicable to this Municipality- services rendered by Dept. Social Services and Development									
<i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *Current Year' refers to the targets set in the Year 1 Budget/IDP round. *Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i>									T3.56.3

Employees: Child Care; Aged Care; Social Programmes : Not Applicable					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					#DIV/0!
4 - 6					#DIV/0!
7 - 9					#DIV/0!
10 - 12					#DIV/0!
13 - 15					#DIV/0!
16 - 18					#DIV/0!
19 - 20					#DIV/0!
Total	0	0	0	0	#DIV/0!
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</p> <p>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>					

T3.56.4

Financial Performance Year 1: Child Care; Aged Care; Social Programmes: Not applicable					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	0	0	0	0	#DIV/0!
Expenditure:					
Employees					#DIV/0!
Repairs and Maintenance					#DIV/0!
Other					#DIV/0!
Total Operational Expenditure	0	0	0	0	#DIV/0!
Net Operational Expenditure	0	0	0	0	#DIV/0!
<p>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</p>					T3.56.5

Capital Expenditure Year 1: Child Care; Aged Care; Social Programmes					
Not Applicable					R' 000
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All: Not applicable					
Project A					
Project B					
Project C					
Project D					
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T3.56.6

COMMENT ON THE PERFORMANCE OF CHILD CARE; AGED CARE; SOCIAL PROGRAMMES OVERALL:

Not applicable to this Municipality. Service are rendered by provincial government.

T3.56.7

## COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and costal protection.

### INTRODUCTION TO ENVIRONMENTAL PROTECTION

An Integrated Environmental management plan for Namakwa District exist.

Share function with Namakwa District Municipality. Environment Health Inspectors submit reports with recommendation to Municipality.

Law enforcement lacks at this Municipality.

Provincial government plays also a role executing such function.

T3.59.0

## 3.59 POLLUTION CONTROL

### INTRODUCTION TO POLLUTION CONTROL

See 3.59.0

**Delete Directive note once comment is complete** – Provide brief introductory comments. Set out your top 3 service delivery priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by your service during the year. Refer to support given to those communities that are living in poverty.

T3.59.1

### SERVICE STATISTICS FOR POLLUTION CONTROL

T3.59.2

Pollution Control Policy Objectives Taken From IDP									
Service Objectives  <i>Service Indicators</i>  (i)	Outline Service Targets  (ii)	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Water and air purity	Water: x% of all readings taken throughout the year on at least weekly to be found acceptable (clean) by National Standards	T0% clean	A0% clean	T1% clean	T1% clean	A1% clean	T2% acceptable	T5% acceptable	T5% acceptable
	Air: x% of all readings taken throughout the year on at least weekly to be found acceptable by National standard	T0% clean	A0% clean	T1% clean	T1% clean	A1% clean	T2% acceptable	T5% acceptable	T5% acceptable
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; * 'Current Year' refers to the targets set in the Year 1 Budget/IDP round. * 'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									T3.59.3

Employees: Pollution Control					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	#DIV/0!
<i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.            *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i>					
					T3.59.4

Financial Performance Year 1: Pollution Control					
					R'000
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					#DIV/0!
Expenditure:					
Employees					#DIV/0!
Repairs and Maintenance					#DIV/0!
Other					#DIV/0!
Total Operational Expenditure					#DIV/0!
Net Operational Expenditure	0	0	0	0	#DIV/0!
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.59.5



Capital Expenditure Year 1: Pollution Control					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
Project A					0
Project B					0
Project C					0
Project D	0	0	0	0%	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.59.6

COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

**Delete Directive note once comment's completed** – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 1 and/or previous year actuals, or expected future variations).

T3.59.7

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3.60 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (EG. COASTAL PROTECTION)

INTRODUCTION BIO-DIVERSITY AND LANDSCAPE

**Delete Directive note once comment is complete** – Provide brief introductory comments. Set out your top 3 service delivery priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by your service during the year. Refer to support given to those communities that are living in poverty.

T3.60.1

SERVICE STATISTICS FOR BIO-DIVERSITY AND LANDSCAPE

T3.60.2



Employees: Bio-Diversity; Landscape and Other					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	0%
<i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.  *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i>					

T3.60.4

Financial Performance 2018/19: Bio-Diversity; Landscape and Other					
R' 000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>					#DIV/0!
Expenditure:					
Employees					#DIV/0!
Repairs and Maintenance					#DIV/0!
Other					#DIV/0!
<b>Total Operational Expenditure</b>					#DIV/0!
<b>Net Operational Expenditure</b>					#DIV/0!
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.60.5

Capital Expenditure Year 1: Bio-Diversity; Landscape and Other					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
Project A	0	0	0	0%	0
Project B	0	0	0	0%	0
Project C	0	0	0	0%	0
Project D	0	0	0	0%	0
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.60.6

COMMENT ON THE PERFORMANCE OF BIO-DIVERSITY; LANDSCAPE AND OTHER OVERALL:

**Delete Directive note once comment's completed** – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 1 and/or previous year actuals, or expected future variations).

T3.60.7

## COMPONENT F: HEALTH

This component includes: clinics; ambulance services; and health inspections.

### INTRODUCTION TO HEALTH

Not applicable to this Municipality.

Services rendered by Department of Health on National and Provincial level.

T.62.0

## 3.62 CLINICS

### INTRODUCTION TO CLINICS

Services rendered by Department of Health. Lease buildings at Pofadder and Onseepkans (Melkbosrand) to department of Health.

T3.62.1

Service Data for Clinics					
	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Average number of Patient visits on an average day				
2	Total Medical Staff available on an average day				
3	Average Patient waiting time	mins	mins	mins	mins
4	Number of HIV/AIDS tests undertaken in the year				
5	Number of tests in 4 above that proved positive				
6	Number of children that are immunised at under 1 year of age				
7	Child immunisation s above compared with the child population under 1 year of age	%	%	%	%

T3.62.2

Concerning T3.62.2-

Services rendered by Department of Health.

T3.62.2.1

Clinics Policy Objectives Taken From IDP									
Service Objectives  <div>Service Indicators</div> (i)	Outline Service Targets  (ii)	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Proportion of population visiting public health clinics	% of children under 1 year that are immunised.	T0% immunised	A0% immunised	T1% immunised	T1% immunised	A1% immunised	T2% immunised	T5% immunised	T5% immunised
Proportion of population visiting public health clinics	% of those tested for HIV/AIDS that proved positive; (number of those tested)	T0% tested positive; (xxxxxx tested)	A0% tested positive; (xxxxxx tested)	T1% tested positive; (xxxxxx tested)	T1% tested positive; (xxxxxx tested)	A1% tested positive; (xxxxxx tested)	T2% tested positive; (xxxxxx tested)	T5% tested positive; (xxxxxx tested)	T5% tested positive; (xxxxxx tested)
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *Current Year' refers to the targets set in the Year 1 Budget/IDP round. *Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									
T3.62.3									

Employees: Clinics- Not applicable to this Municipality					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6					
7 - 9					
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total					
<p>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</p> <p>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</p>					

T3.62.4

Financial Performance 2018/19: Clinics- Not applicable to this Municipality					
					R'000
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
<b>Total Operational Expenditure</b>					
<b>Net Operational Expenditure</b>					
<p>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</p>					T3.62.5



Capital Expenditure : Clinics					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	0	0	0	0%	
Project A	0	0	0	0%	0
Project B	0	0	0	0%	0
Project C	0	0	0	0%	0
Project D	0	0	0	0%	0
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T3.62.6

COMMENT ON THE PERFORMANCE OF CLINICS OVERALL:

**Delete Directive note once comment's completed** – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 1 and/or previous year actuals, or expected future variations).

T3.62.7

### 3.63 AMBULANCE SERVICES

#### INTRODUCTION TO AMBULANCE SERVICES

Not applicable for this Municipality.

Services are rendered by Department of Health.

T3.63.1

Ambulance Service Data- Not applicable to this Municipality					
	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of patients taken to medical facilities during the year				
2	Average time from emergency call to arrival at the patient - in urban areas				
3	Average time from emergency call to arrival at the patient - in rural areas				
4	Average time from emergency call to the transportation of patient to a medical facility - in urban areas				
5	Average time from emergency call to the transportation of patient to a medical facility - in rural areas				
6	No. ambulance				
7	No. paramedics				
T3.63.2					

Concerning T3.63.2

Not applicable to Municipality

T3.63.2.1

Ambulances Policy Objectives Taken From IDP- Not applicable to this Municipality									
Service Objectives   <i>Service Indicators</i> (i)	Outline Service Targets   (ii)	Year 0		Year 1		Year 2	Year 4		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
<b>Ambulance turnaround time (Timeout to patients and back to medical facility)</b>	Average turnaround time in rural areas	T <sub>0</sub> min on average	A <sub>0</sub> min on average	T <sub>1</sub> min on average	T <sub>1</sub> min on average	A <sub>1</sub> min on average	T <sub>2</sub> min on average	T <sub>5</sub> min on average	T <sub>5</sub> min on average
	Average turnaround time in urban areas	T <sub>0</sub> min on average	A <sub>0</sub> min on average	T <sub>1</sub> min on average	T <sub>1</sub> min on average	A <sub>1</sub> min on average	T <sub>2</sub> min on average	T <sub>5</sub> min on average	T <sub>5</sub> min on average
<i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i>									
T3.63.3									

Employees: Ambulances- Not applicable to this Municipality					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6					
7 - 9					
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	0	0	0	0	0%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.63.4					

Financial Performance Year 1: Ambulances- Not applicable to this Municipality					
					R'000
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					#DIV/0!
Expenditure:					
Employees					#DIV/0!
Repairs and Maintenance					#DIV/0!
Other					#DIV/0!
Total Operational Expenditure					#DIV/0!
Net Operational Expenditure					#DIV/0!
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual. T3.63.5					

COMMENT ON THE PERFORMANCE OF AMBULANCE SERVICES OVERALL:

Not applicable to this Municipality

T3.63.7

### 3.64 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

#### INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABBATOIR LICENSING AND INSPECTIONS, ETC

**Delete Directive note once comment is complete** – Provide brief introductory comments. Set out your top 3 service delivery priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by your service during the year. Refer to support given to those communities that are living in poverty.

T3.64.1

#### SERVICE STATISTICS FOR HEALTH INSPECTION, Etc

T3.64.2

Health Inspection, Etc Policy Objectives Taken From IDP									
Service Objectives   <i>Service Indicators</i>  (i)	Outline Service Targets   (ii)	Year 0		Year 1		Year 2	Year 4		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
<i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i>									T3.64.3

Capital Expenditure Year 1: Ambulances- Not applicable to this Municipality					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A					
Project B					
Project C					
Project D					
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.63.6

Financial Performance Year 1: Health Inspection, Etc					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					#DIV/0!
Expenditure:					
Employees					#DIV/0!
Repairs and Maintenance					#DIV/0!
Other					#DIV/0!
Total Operational Expenditure					#DIV/0!
Net Operational Expenditure					#DIV/0!
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.64.5

Capital Expenditure Year 1: Health Inspection, Etc					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All				#DIV/0!	
Project A				#DIV/0!	
Project B				#DIV/0!	
Project C				#DIV/0!	
Project D				#DIV/0!	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.64.6

COMMENT ON THE PERFORMANCE OF HEALTH INSPECTIONS, Etc OVERALL:

**Delete Directive note once comment's completed** – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 1 and/or previous year actuals, or expected future variations).

T3.64.7



## COMPONENT G: SECURITY AND SAFETY

This component includes: police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

### INTRODUCTION TO SECURITY & SAFETY

The services mentioned in this component is not applicable to this Municipality since this Municipality does have such departments in its hierarchy though it deals with fires and have by- laws available for licensing and control of animals and public nuisance as well.

T3.65.0

## 3.65 POLICE

### INTRODUCTION TO POLICE

Not applicable to this Municipality. Services are rendered by SAPS.

T3.65.1

### Metropolitan Police Service Data- Not applicable

	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year				
2	Number of by-law infringements attended				
3	Number of police officers in the field on an average day				
4	Number of police officers on duty on an average day				

T3.65.2

Concerning T3.65.2

Not applicable.

T3.65.2.1



Police Policy Objectives Taken From IDP- Not applicable to this Municipality									
Service Objectives  <i>Service Indicators</i> (i)	Outline Service Targets (ii)	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
Reduction in road accidents	x% reduction in road accidents over the target for the previous year	To% reduction in 2008/09	Ao% reduction in 2008/10	T1% reduction in 2008/11	T1% reduction in 2008/11	A1% reduction in 2008/12	T2% reduction in 2008/12	T5% reduction in 2008/13	T5% reduction in 2008/13
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									T3.65.3

<b>Employees: Police Officers- Not applicable to this Municipality</b>					
<b>Job Level</b>	<b>Year 0</b>	<b>Year 1</b>			
<b>Police  Administrators</b>	<b>Employees  No.</b>	<b>Posts  No.</b>	<b>Employees  No.</b>	<b>Vacancies (fulltime equivalents)  No.</b>	<b>Vacancies (as a % of total posts)  %</b>

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.  
 \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. ‘senior management’) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.65.4

Capital Expenditure Year 1: - Not applicable to this Municipality					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A					
Project B					
Project C					
Project D					
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.65.6

COMMENT ON THE PERFORMANCE OF POLICE OVERALL:

Not applicable to this Municipality

T.3.65.7

3.66 FIRE

INTRODUCTION TO FIRE SERVICES

This function are shared with Namakwa District Municipality. This Municipality does not have a special firefighting department/ division or unit. Staff of technical services assist with fire fighting. Equipment are kept at service points. No fire hydrants are installed on water reticulation network.

Fires put out by this Municipality: 1

Expenditure forms part of disaster management budget.

T3.66.1

Metropolitan Fire Service Data- Not applicable to this Municipality					
	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires attended in the year				
2	Total of other incidents attended in the year				
3	Average turnout time - urban areas				
4	Average turnout time - rural areas				
5	Fire fighters in post at year end				
6	Total fire appliances at year end				
7	Average number of appliance off the road during the year				
					T3.66.2

Concerning T3.66.2

See T3.66.1

T3.66.2.1

Fire Service Policy Objectives Taken From IDP- See T3.66.1									
Service Objectives   <i>Service Indicators</i>  (i)	Outline Service Targets   (ii)	Year 0		Year 1		Year 2	Year 4		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
<b>Turnout time compared to National guidelines</b>	% turn out within guidelines (total number of turn outs)	To% within guidelines	Ao% within guidelines or x if x is larger	T1% within guidelines or Ao% if that is larger	70% within guidelines or Ao% if that is larger	A1% within guidelines	75% within guidelines or A1 if that is larger; (xxxxx emergency turn outs in year)	95% within guidelines or A4 if that is larger; (xxxxx emergency turn outs in year)	95% within guidelines or A4 if that is larger; (xxxxx emergency turn outs in year)
Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.									T3.66.3

<b>Employees: Fire Services- Not applicable to this Municipality</b>					
<b>Job Level</b>	<b>Year 0</b>	<b>Year 1</b>			
<b>Fire Fighters</b>	<b>Employees</b>	<b>Posts</b>	<b>Employees</b>	<b>Vacancies (fulltime equivalents)</b>	<b>Vacancies (as a % of total posts)</b>
<b>Administrators</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>No.</b>	<b>%</b>

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. ‘senior management’) then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.66.4



Capital Expenditure Year 1: Fire Services- No budget					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All					
Project A					
Project B					
Project C					
Project D					
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.66.6

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

This equipment is not prepared for immediate usage. Onseepkans and Witbank do not have fire equipment.

The Municipality needs adequate vehicles for quicker response to fires.

T3.66.7

### 3.67 OTHER (DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

#### INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

Disaster management are managed from district municipal level with the Municipality playing a supportive roll. A disaster management plan is in place. However, the municipality is not really prepared to deal with disasters and some employees and members of the communities should be trained.

The appointment of a law enforcement officer is necessary for the implementation of the municipalities by-laws.

3.67.1

#### SERVICE STATISTICS FOR DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

T3.67.2

Disater Management, Animal Licencing and Control, Control of Public Nuisances, Etc Policy Objectives Taken From IDP									
Service Objectives   <i>Service Indicators</i>  (i)	Outline Service Targets   (ii)	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
<i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i>									

Employees: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	0%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</i></p> <p><i>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p>					

T3.67.4

Financial Performance Year 1: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	0	0	0	0	#DIV/0!
Expenditure:					
Employees	0	0	0	0	#DIV/0!
Repairs and Maintenance	5	5	9	9	44%
Other	0	258	254	0	#DIV/0!
<b>Total Operational Expenditure</b>	5	263	263	9	-2822%
<b>Net Operational Expenditure</b>	-5	-263	-263	-9	-2822%
<p><i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i></p>					T3.67.5

Capital Expenditure Year 1: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All				#DIV/0!	
Project A				#DIV/0!	
Project B				#DIV/0!	
Project C				#DIV/0!	
Project D				#DIV/0!	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					T3.67.6

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL LICENCING AND CONTROL CONTROL OF PUBLIC NUISANCES, ETC OVERALL:

**Delete Directive note once comment's completed** – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 1 and/or previous year actuals, or expected future variations).

T3.67.7

## COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

### INTRODUCTION TO SPORT AND RECREATION

The Municipality own one (1) community park, Dr. O.T. van Schalkwyk Park which is a historical site and tourism attraction. One (1) sport stadium, the Dennis Nel Stadium is the property of the Council and one (1) is owned by Boesmanland High School.

The social and labour plan of Black Mountain Mine funded the project in building a swimming pool for the municipality. No campsites is the property of council.

One swimming pool is situated at Dennis Nel Sport Stadium, Pofadder. The pool was operational with interruptions caused by breakdowns of water pumps.

T3.68.0

## 3.68 SPORT AND RECREATION

### SERVICE STATISTICS FOR SPORT AND RECREATION

MIG approved an amount of R8,000 000 for the upgrading of the sport facilities at Pofadder, Pella and Onseepkans. The project was not completed in the financial year and the contractor has to proceed in the next financial year.

Sport stadiums have to be guarded to prevent vandalism and further damages as it is the case.

The swimming pool at Pofadder is closed due to financial constraints to maintain it and also the absence of proper caretaking or guarding.

Community halls at Pofadder (floors), Sending (ceiling, windows, fencing), Viljoensdraai (windows) and Melkbosrand (water supply) have to be maintained to ensure it is ready for utilization by the communities.

Vedanta assist with the upgrading of O.T. Van Schalkwyk park while the park in Blyvooruitsig is vandalised. The wire of the fence are removed.

T3.68.1

Sport and Recreation									
Service Objectives  <i>Service Indicators</i> (i)	Outline Service Targets  (ii)	Year 0		Year 1		Year 2	Year 4		
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Upgrading of Sport Facilities at Pofadder, Pella and Onseepkans	3	3	3	3	3	3	0	0	0
<i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i>									T3.68.2

Employees: Sport and Recreation					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	1	1	1	0	0%
7 - 9					
10 - 12					
13 - 15					
16 - 18					
19 - 20					
Total	1	1	1	0	0%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.

T3.68.3

Financial Performance : Sport and Recreation					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					#DIV/0!
Expenditure:					
Employees	170	195	194	189	-3%
Repairs and Maintenance	29	32	32	1	-3100%
Other	220	416	623	120	-247%
Total Operational Expenditure	419	643	849	310	-107%
Net Operational Expenditure	-419	-643	-849	-310	-107%

Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.

T3.68.4

Capital Expenditure Year 1: Sport and Recreation					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	2358	2610	2536	7%	8000
Upgrading of Sport Facilities	2358	2610	2536	7%	8000
Project B				#DIV/0!	0
Project C				#DIV/0!	0
Project D				#DIV/0!	0

Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).

T3.68.5



COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

**Delete Directive note once comment's completed** – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 1 and/or previous year actuals, or expected future variations).

T3.68.6

## COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

### INTRODUCTION TO CORPORATE POLICY OFFICES, Etc

**Delete Directive note once comment is complete** – Provide brief introductory comments.

T3.69.0

### 3.69 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councilors; and municipal manager).

#### INTRODUCTION TO EXECUTIVE AND COUNCIL

**Delete Directive note once comment is complete** – Provide brief introductory comments. Set out your top 3 service delivery priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by your service during the year.

T3.69.1

#### SERVICE STATISTICS FOR THE EXECUTIVE AND COUNCIL

T3.69.2

The Executive and Council Policy Objectives Taken From IDP									
Service Objectives  <div>Service Indicators</div> <div>(i)</div>	Outline Service Targets  <div>(ii)</div>	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
General Council Meeting per quarter	4	4		4	4	2	4	4	4
<div>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</div>									
T3.69.3									

Employees: The Executive and Council					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	3	3	3	0,5	17%
7 - 9	6	6	6	1,5	25%
10 - 12	7	7	7	1	14%
13 - 15	9	9	9	2,2	24%
16 - 18	11	11	11	0,9	8%
19 - 20	18	18	18	1	6%
Total	55	55	55	7,1	13%

Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. \*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days. T3.69.4

Financial Performance : The Executive and Council					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>	16388	17420	17420	17452	0%
<b>Expenditure:</b>					
Employees	2875	3898	3692	3425	-14%
Repairs and Maintenance	0	5	5	0	#DIV/0!
Other	4731	4714	4906	4280	-10%
<b>Total Operational Expenditure</b>	7606	8617	8603	7705	-12%
<b>Net Operational Expenditure</b>	8782	8803	8817	9747	10%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.69.5

Capital Expenditure : The Executive and Council					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	150	201	99	-52%	
Project A- Other	150	201	99	-52%	201
Project B	0	0	0	#DIV/0!	0
Project C	0	0	0	#DIV/0!	0
Project D	0	0	0	#DIV/0!	0
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.69.6

COMMENT ON THE PERFORMANCE OF THE EXECUTIVE AND COUNCIL:

**Delete Directive note once comment's completed** – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 1 and/or previous year actuals, or expected future variations).

T3.69.7

### 3.70 FINANCIAL SERVICES

#### INTRODUCTION FINANCIAL SERVICES

Management is responsible for the sound and sustainable management of the affairs of the municipality and to implement an efficient, effective and transparent financial management system for the purpose, as regulated by the MFMA.

T3.70.1

Debt Recovery								R' 000
Details of the types of account raised and recovered	Year 0		Year 1			Year 2		
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in Year	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates								
Electricity - B								
Electricity - C								
Water - B								
Water - C								
Sanitation								
Refuse								
Other								
B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.								T3.70.2

Concerning T3.70.2

**Delete Directive note once table is complete** – The proportion of account value billed is calculated by taking the total value of the year's revenues collected against the bills raised in the year by the year's billed revenues.

T3.70.2.1



Employees: Financial Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3					
4 - 6	3	3	3	0	
7 - 9					
10 - 12	4	4	4	0	100%
13 - 15					
16 - 18					
19 - 20	1	1	1	1	100%
Total	8	8	8	8	100%
Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.					

T3.70.4

Financial Performance : Financial Services					
					R'000
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	13000	7680	7765	10830	29%
Expenditure:					
Employees	9920	12595	12400	10190	-24%
Repairs and Maintenance	995	799	1199	1268	37%
Other	5725	5248	4826	10554	50%
Total Operational Expenditure	16640	18642	18425	22012	15%
Net Operational Expenditure	-3640	-10962	-10660	-11182	2%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					T3.70.5

Capital Expenditure Year 1: Financial Services					
					R' 000
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All				#DIV/0!	
Project A				#DIV/0!	
Project B				#DIV/0!	
Project C				#DIV/0!	
Project D				#DIV/0!	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.					T3.70.6

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:



**Delete Directive note once comment's completed** – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 1 and/or previous year actuals, or expected future variations).

T3.70.7

### 3.71 HUMAN RESOURCE SERVICES

#### INTRODUCTION TO HUMAN RESOURCE SERVICES

Human Resource officer assist management with lead, direct and control of staff administering Recruitment, Personnel Administration and Labour Relations, Skills development and occupation health and safety.

A payroll clerk assist management with remuneration of staff, third party contributions (provident and pension funds, medical schemes, garnish orders).

Measurements are done per SDBIP for filling of vacancies, employment contracts, job descriptions, work place skills plan, local labour forum, employment equity reports and personnel records.

T3.71.1

#### SERVICE STATISTICS FOR HUMAN RESOURCE SERVICES

T3.71.2





Employees: Human Resource Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	2	2	2	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	2	2	2	0	0%
<i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June. *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i>					
					T3.71.4

Financial Performance Year 1: Human Resource Services					
					R'000
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
<b>Total Operational Revenue</b>					#DIV/0!
Expenditure:					
Employees					#DIV/0!
Repairs and Maintenance					#DIV/0!
Other					#DIV/0!
<b>Total Operational Expenditure</b>					#DIV/0!
<b>Net Operational Expenditure</b>					#DIV/0!
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.71.5

Capital Expenditure Year 1: Human Resource Services					R' 000
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All				#DIV/0!	
Project A				#DIV/0!	280
Project B				#DIV/0!	150
Project C				#DIV/0!	320
Project D				#DIV/0!	90
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T3.71.6

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

**Delete Directive note once comment's completed** – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 1 and/or previous year actuals, or expected future variations).

T3.71.7

### 3.72 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

#### INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The Municipality utilises a service provider for this services. A IT policy is not yet developed and an unit is not part of its organogram.

**Delete Directive note once comment is complete** – Provide brief introductory comments. Set out priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by ICT service during the year.

T3.72.1

#### SERVICE STATISTICS FOR ICT SERVICES

T3.72.2





Employees: ICT Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	0	0	0	0	0%
<i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.  *Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i>					
					T3.72.4

Financial Performance Year 1: ICT Services					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					#DIV/0!
Expenditure:					
Employees					#DIV/0!
Repairs and Maintenance					#DIV/0!
Other					#DIV/0!
Total Operational Expenditure					#DIV/0!
Net Operational Expenditure					#DIV/0!
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.72.5

Capital Expenditure Year 1: ICT Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All				#DIV/0!	
Project A				#DIV/0!	
Project B				#DIV/0!	
Project C				#DIV/0!	
Project D				#DIV/0!	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.72.6

COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

**Delete Directive note once comment's completed** – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 1 and/or previous year actuals, or expected future variations).

T3.72.7

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### 3.73 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

#### INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

**Delete Directive note once comment is complete** – Provide brief introductory comments. Set out priorities and the impact you have had on them during the year. Explain the measures taken to improve performance and the major efficiencies achieved by Property, legal, risk management and procurement services during the year.

T3.73.1

#### SERVICE STATISTICS FOR PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

T3.73.2

Property; Legal; Risk Management; and Procurement Services Policy Objectives Taken From IDP									
Service Objectives   <i>Service Indicators</i> (i)	Outline Service Targets   (ii)	Year 0		Year 1			Year 2	Year 4	
		Target	Actual	Target		Actual	Target		
		*Previous Year (iii)	(iv)	*Previous Year (v)	*Current Year (vi)	(vii)	*Current Year (viii)	*Current Year (ix)	*Following Year (x)
Service Objective xxx									
<i>Note: This statement should include no more than the top four priority service objectives. The indicators and targets specified above (columns (i) and (ii)) must be incorporated in the indicator set for each municipality to which they apply. These are 'universal municipal indicators'. * 'Previous Year' refers to the targets that were set in the Year 0 Budget/IDP round; *'Current Year' refers to the targets set in the Year 1 Budget/IDP round. *'Following Year' refers to the targets set in the Year 2 Budget/IDP round. Note that all targets in the IDP must be fundable within approved budget provision. MSA 2000 chapter 5 sets out the purpose and character of Intergrated Development Plans (IDPs) and chapter 6 sets out the requirements for the reduction of performance management arrangement by municipalities in which IDPs play a key role.</i>									T3.73.3

Employees: Property; Legal; Risk Management; and Procurement Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	3	3	3	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	3	3	3	0	0%
<p><i>Totals should equate to those included in the Chapter 4 total employee schedule. Employees and Posts numbers are as at 30 June.</i></p> <p><i>*Posts must be established and funded in the approved budget or adjustments budget. Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i></p>					

T3.73.4

Financial Performance Year 1: Property; Legal; Risk Management; and Procurement Services					
					R'000
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					#DIV/0!
Expenditure:					
Employees					#DIV/0!
Repairs and Maintenance					#DIV/0!
Other					#DIV/0!
Total Operational Expenditure					#DIV/0!
Net Operational Expenditure					#DIV/0!
<p><i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i></p>					T3.73.5

COMMENT ON THE PERFORMANCE OF PROPERTY SERVICES OVERALL:

**Delete Directive note once comment's completed** – Explain the priority of the four largest capital projects and explain the variations from budget for net operating and capital expenditure. Confirm your year 5 targets set out in the IDP schedule can be attained within approved budget provision and if not then state how you intend to rectify the matter. Explain the priority of the four largest capital projects and explain variances from budget for net operating and capital expenditure. Also explain any likely variation to the total approved project value (arising from year 1 and/or previous year actuals, or expected future variations).

COMPONENT J: MISCELLANEOUS

This component includes: the provision of Airports, Abattoirs, and Forestry as municipal enterprises.

## INTRODUCTION TO MISCELLANEOUS

Not applicable to this Municipality

T3.74.0

## COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year.

Plan Number: Plan Name																	
No.	Strategic Focus Area (IDP)	Key Performance Indicator	Baseline (Previous years actual)	Demand	Backlog	Annual Target (Year)	5 Year Target	Means of verification	Unit of Measure	Quarterly Target	Quarterly actual	Status (Achieved /Not Achieved)	Measures taken to improve performance	Performance Monitoring Quality Assurance comment	Management Response	Internal Audit Comment	Portfolio of Evidence
<i>Note: Set out key plans as per performance scorecard e.g Plan 1: Sustain and build natural environment, Plan 2: Economic Development and job creation, Plan 3: Quality living environment, Plan 4: Safe, healthy and secure environment, Plan 5: Empowering our citizen, Plan 6: Promoting cultural diversity, Plan 7: Good governance, Plan 8: Financial viability and sustainability.</i> <div style="text-align: right;">T3.75</div>																	

## CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

### (PERFORMANCE REPORT PART II)

#### INTRODUCTION

The Performance Management System is not in place. The municipality appointed an official in May 2013 and is in process of appointing a service provider to assist the implementation of the system.

T4.0.1

### COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

#### 4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	Year 0	Year 1			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water	23	23	23	0	0%
Waste Water (Sanitation)	23	23	23	0	0%
Electricity	2	2	2	0	0%
Waste Management	21	21	21	0	0%
Housing	0	0	0	0	0%
Waste Water (Stormwater Drainage)	0	0	0	0	0%
Roads	5	5	5	0	0%
Transport	0	0	0	0	0%
Planning	1	1	1	0	0%
Local Economic Development	1	1	1	0	0%
Planning (Strategic & Regulatory)	0	0	0	0	0%
Local Economic Development	0	0	0	0	0%
Community & Social Services	2	2	2	0	0%
Environmental Protection	0	0	0	0	0%
Health	0	0	0	0	0%
Security and Safety	3	3	2	0	0%
Sport and Recreation	2	1	2	0	0%
Corporate Policy Offices and Other	3	3	3	2	1%
<b>Totals</b>	<b>78</b>	<b>78</b>	<b>78</b>	<b>1</b>	<b>0%</b>
Headings follow the order of services as set out in chapter 3. Service totals should equate to those included in the Chapter 3 employee schedules. Employee and Approved Posts numbers are as at 30 June.					T4.1.1

Vacancy Rate: Year 1			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0
CFO	1	0	0
Other S57 Managers (excluding Finance Posts)	2	2	100
Other S57 Managers (Finance posts)	0	0	0
Police officers	0	0	0
Fire fighters	0	0	0
Senior management: Levels 13-15 (excluding Finance Posts)	0	0	0
Senior management: Levels 13-15 (Finance posts)	0	0	0
Highly skilled supervision: levels 9-12 (excluding Finance posts)	22	1	6
Highly skilled supervision: levels 9-12 (Finance posts)	4	0	0
<b>Total</b>	<b>30</b>	<b>3</b>	<b>10,00</b>
<i>Note: *For posts which are established and funded in the approved budget or adjustments budget (where changes in employee provision have been made). Full-time equivalents are calculated by taking the total number of working days lost (excluding weekends and public holidays) while a post remains vacant and adding together all such days lost by all posts within the same set (e.g. 'senior management') then dividing that total by 250 to give the number of posts equivalent to the accumulated days.</i>			

T4.1.2

Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2016/17	0	0	0%
2017/18	0	0	0%
2018/19	83	5	21%
<i>* Divide the number of employees who have left the organisation within a year, by total number of employees who occupied posts at the beginning of the year</i>			

T4.1.3

#### COMMENT ON VACANCIES AND TURNOVER:

The positions of Technical manager is vacant since for more than seven years while the position of corporate service manager is vacant since 2011 and the internal auditor since 2013. The vacancies was advertised several times, but no appointment could be made by council due to lack on the minimum competencies. The Chief Financial Officer was appointed in 2005.

T4.1.4



## COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Note: MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

**Delete Directive note once comment is complete** – Discuss the range and emphasis of workforce management at your municipality and briefly mention progress made with the development of workforce policies and management practices during the year.

T4.2.0

## 4.2 POLICIES

HR Policies and Plans				
	Name of Policy/ Plan	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Affirmative Action	0%		Legislation
2	Attraction and Retention	100%		In progress
3	Code of Conduct for employees	100%	0%	Legislation MSA
4	Delegations, Authorisation & Responsibility	100%	0%	
5	Disciplinary Code and Procedures	100%		Collective Agreement
6	Essential Services	100%		Collective Agreement
7	Employee Assistance / Wellness	0%		In progress
8	Employment Equity Plan	0%		Legislation
9	Exit Management	0%		In progress
10	Grievance Procedures	100%	0%	Collective Agreement
11	HIV/Aids	0%	0%	In progress
12	Human Resource and Development	0%		
13	Information Technology	100%		In progress
14	Job Evaluation	0%		Collective Agreement
15	Leave	100%		Conditions of Services Agreement
16	Occupational Health and Safety	0%		Legislation
17	Official Housing	0%		
18	Official Journeys	100%	0%	Subsistence and Travelling
19	Official transport to attend Funerals	0%	0%	Officails travel privately
20	Official Working Hours and Overtime	100%		LRA- Code of Good Practice
21	Organisational Rights	100%		Collective Agreement
22	Payroll Deductions	0%		In progress
23	Performance Management and Development	100%	0%	
24	Recruitment, Selection and Appointments	100%	0%	2012/2013-
25	Remuneration Scales and Allowances	100%		Collective Agreement
26	Resettlement	0%		Review in progress
27	Sexual Harassment	0%		In progress
28	Skills Development	100%		Workplace Skills Plan
29	Smoking	100%		In progress
30	Special Skills	0%		
31	Work Organisation	0%		
32	Uniforms and Protective Clothing	0%		In progress
33	Other:			
Use name of local policies if different from above and at any other HR policies not listed.				

T4.2.1

### COMMENT ON WORKFORCE POLICY DEVELOPMENT:

**Delete Directive note once comment is complete** – Comment on progress made during the year and plans for completing this work.

## 4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	0	0	0%	0	60
Temporary total disablement	0	0	0%	0	
Permanent disablement	0	0	0%	0	
Fatal	0	0	0%	0	
Total	0	0	0%	0	60

T4.3.1

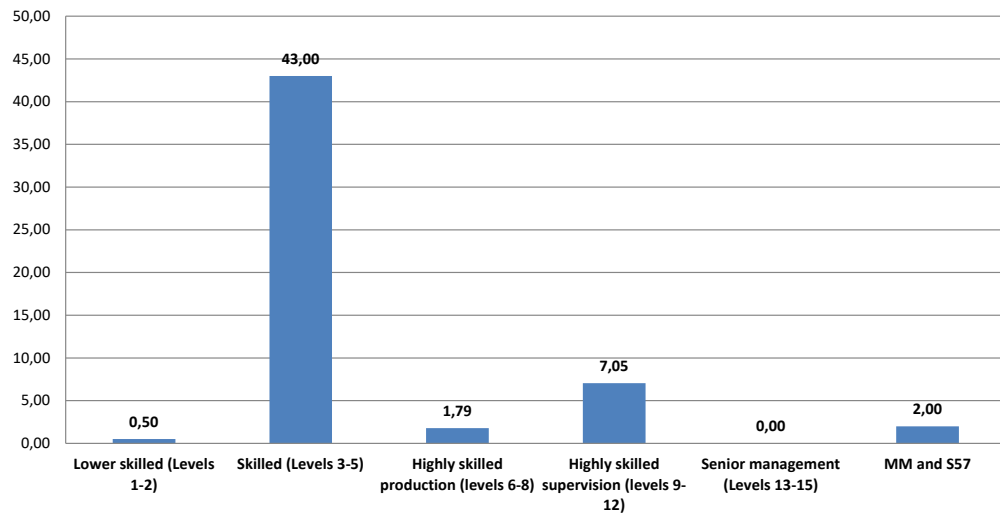
Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave Days	Proportion of sick leave without medical certification %	Employees using sick leave No.	Total employees in post* No.	*Average sick leave per Employees Days	Estimated cost R' 000
Lower skilled (Levels 1-2)	4	0%	8	8	0,50	
Skilled (Levels 3-5)	86	2%	22	22	43,00	
Highly skilled production (levels 6-8)	43	7%	24	24	1,79	
Highly skilled supervision (levels 9-12)	134	14%	20	19	7,05	
Senior management (Levels 13-15)	0	0%	0	0	0,00	
MM and S57	4	100%	2	2	2,00	
Total	271	4%	76	75		

\* - Number of employees in post at the beginning of the year

\*Average is calculated by taking sick leave in column 2 divided by total employees in column 5

T4.3.2

**Average Number of Days Sick Leave (excl IOD)**



T4.3.3

COMMENT ON INJURY AND SICK LEAVE:

**Delete Directive note once comment's completed** – Comment on injury and sick leave indicated in the above tables. Explain steps taken during the year to reduce injuries and follow-up action in relation to injury and sick leave (e.g. are injuries examined by the municipality's own doctor; are those taking long or regular periods of sick leave monitored by municipality's doctor; and are personal records maintained of the number of instances of sick leave and amount of time taken each year?)

T4.3.4

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Nil	n/a	n/a	n/a	n/a
				T4.3.5

Disciplinary Action Taken on Cases of Financial Misconduct			
Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Finalised
Nil	Nil	Nil	n/a
			T4.3.6

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

**Delete Directive note once comment is complete** – Comment on suspension of more than 4 months and on other matters as appropriate.

T4.3.7

#### 4.4 PERFORMANCE REWARDS

Performance Rewards By Gender					
Designations	Beneficiary profile				
	Gender	Total number of employees in group	Number of beneficiaries	Expenditure on rewards Year 1 R' 000	Proportion of beneficiaries within group %
Lower skilled (Levels 1-2)	Female	0	0	0	0%
	Male	0	0	0	0%
Skilled (Levels 3-5)	Female	0	0	0	0%
	Male	0	0	0	0%
Highly skilled production (levels 6-8)	Female	0	0	0	0%
	Male	0	0	0	0%
Highly skilled supervision (levels 9-12)	Female	0	0	0	0%
	Male	0	0	0	0%
Senior management (Levels 13-15)	Female	0	0	0	0%
	Male	0	0	0	0%
MM and S57	Female	0	0	0	0%
	Male	2	0	0	0%
Total		2	0	0	0%
Has the statutory municipal calculator been used as part of the evaluation process ?					Yes/No
<p><i>Note: MSA 2000 S51(d) requires that ... 'performance plans, on which rewards are based should be aligned with the IDP'... (IDP objectives and targets are set out in Chapter 3) and that Service Delivery and Budget Implementation Plans (developed under MFMA S69 and Circular 13) should be consistent with the higher level IDP targets and must be incorporated appropriately in personal performance agreements as the basis of performance rewards. Those with disability are shown in brackets '(x)' in the 'Number of beneficiaries' column as well as in the numbers at the right hand side of the column (as illustrated above).</i></p>					T4.4.1

The Municipality's performance management system is not fully functional. Measurements on performance are not done during the financial year.

T4.4.1.1

## COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

### INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Two officer followed a course in public admin at University of Western Cape.

Two (2) clerks and four (4) internships are following the Municipal Finance Management Programme of National Treasury.

**Delete Directive note once comment is complete** – Discuss the way ahead and the improvements made and the challenges faced for capacity development in your municipality.

T4.5.0

#### 4.5 SKILLS DEVELOPMENT AND TRAINING

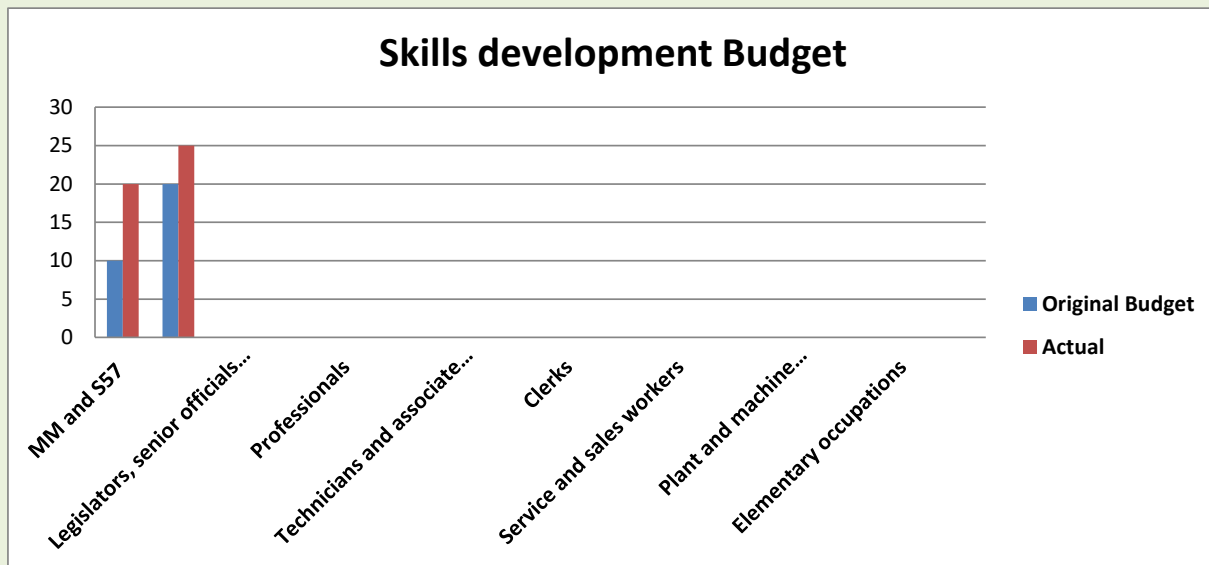
Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 1	Number of skilled employees required and actual as at 30 June Year 1											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target
MM and s57	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	2	0	0	0	0	0	1	0	0	0	1	1	1
Councillors, senior officials and managers	Female	3	0	0	0	3	0	3	0	0	0	3	3	3
	Male	4	0	0	0	4	0	4	0	0	0	4	4	4
Technicians and associate professionals*	Female	0	0	0	0	0	0	0	0	0	0	0	0	0
	Male	1	0	0	0	0	0	1	0	0	0	0	1	1
Professionals	Female	0	0	0	0	0	1	0	0	0	0	0	1	9
	Male	0	0	0	0	0	1	0	0	0	0	0	5	0
Sub total	Female	3	0	0	0	3	1	3	0	0	0	4	4	8
	Male	8	0	0	0	6	1	6	0	0	0	11	11	22
Total		11	0	0	0	0	2	9	0	0	0	15	15	30

T4.5.1



Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
<b>Financial Officials</b>						
Accounting officer	1	0	1	0	0	0
Chief financial officer	1	0	1	0	1	0
Senior managers	0	0	0	0	0	0
Any other financial officials	3	0	3	0	3	0
<b>Supply Chain Management Officials</b>						
Heads of supply chain management units	0	0	0	0	0	0
Supply chain management senior managers	0	0	0	0	0	0
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>4</b>	<b>0</b>
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						T4.5.2

Skills Development Expenditure										
R'000										
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female						10	20	10	20
	Male						20	25	20	25
Legislators, senior officials and managers	Female									
	Male									
Professionals	Female									
	Male									
Technicians and associate professionals	Female									
	Male									
Clerks	Female									
	Male									
Service and sales workers	Female									
	Male									
Plant and machine operators and assemblers	Female									
	Male									
Elementary occupations	Female									
	Male									
Sub total	Female						10	20	10	20
	Male						20	25	20	25
Total		0	0	0	0	0	30	45	30	45
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									%	*R
T4.5.3										



COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

**Delete Directive note once comment is complete** – Comment on the adequacy of training plans and the effectiveness of implementation at your municipality. Explain variances between actual and budgeted expenditure. Also comment on the adequacy of funding (e.g. is it intended to increase or decrease this level of spending in future years and how is the value of the training activity assessed?) Refer to MFMA Competency Regulations, the range of officials to which it relates and the deadline of 2013 by which it will become fully effective. Discuss the progress made on implementation at your municipality as reflected in T4.5.4 above.

T4.5.4

## COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

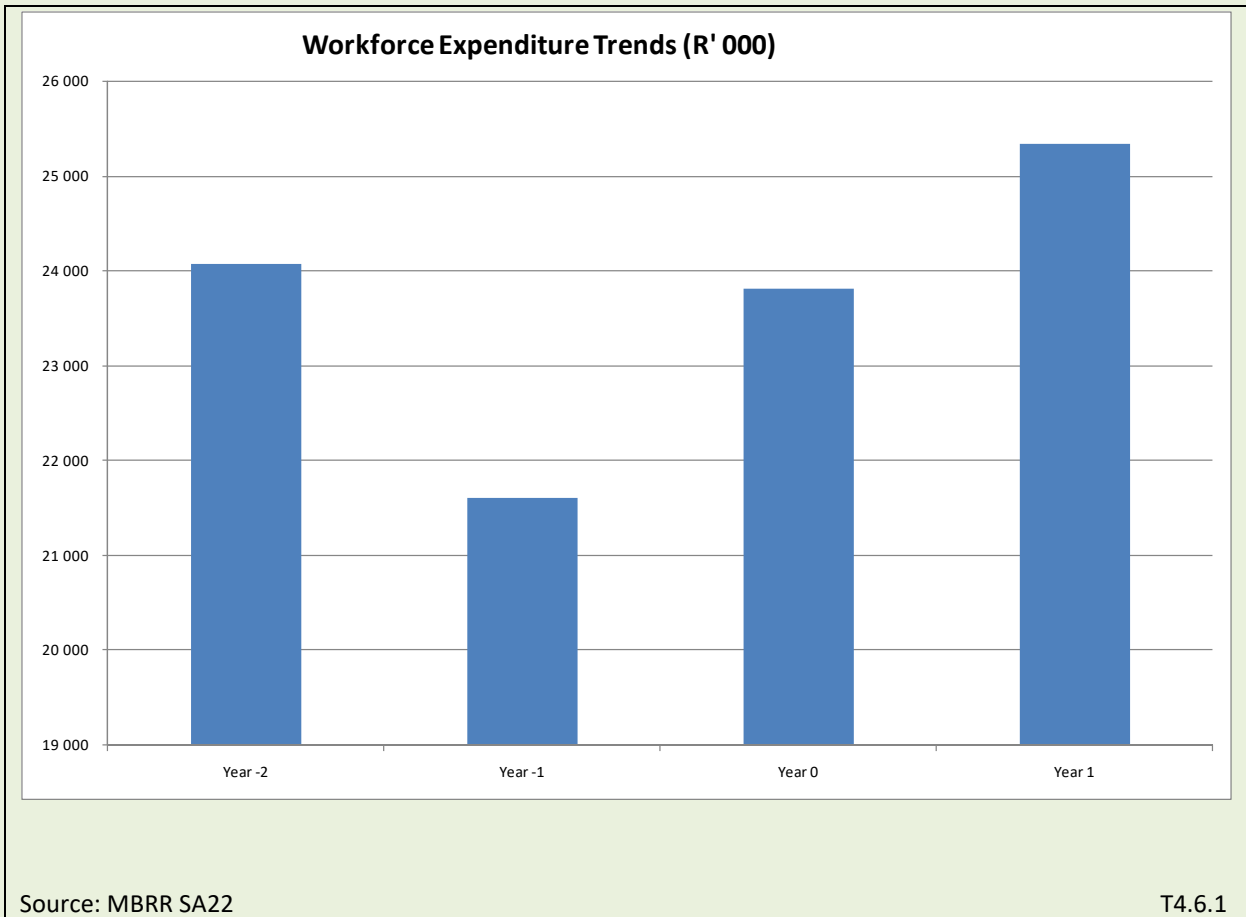
### INTRODUCTION TO WORKFORCE EXPENDITURE

This field is still a challenge. The personnel expenditure was above the norm of -35% of the total expenditure being influenced by the low payment culture. The expenditure should be higher if the vacant positions of corporate services and technical manager had been filled.

**Delete Directive note once comment is complete** – Explain the importance of managing workforce expenditure, the pressures to overspend and how spending is controlled (e.g. within approved establishment and against budget and anticipated vacancy rates arising from turnover). Also explain how municipality seeks to obtain value for money from work force expenditure.

T4.6.0

#### 4.6 EMPLOYEE EXPENDITURE



##### COMMENT ON WORKFORCE EXPENDITURE:

Revenue enhancement could help the Municipality to reduce the personnel expenditure as a portion/percentage of the total expenditure.

T4.6.1.1



COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

No comment

T4.6.5

#### DISCLOSURES OF FINANCIAL INTERESTS

**Delete Directive note once comment is complete** – Refer to disclosures made by officials and councillors concerning their financial interests as required by PM Regulations 805 of 2006 are set out in **Appendix J**. Make other comments as appropriate.

T4.6.6

# Chapter 7(new)

## CHAPTER 5 – FINANCIAL PERFORMANCE

### INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

**Delete Directive note once comment is complete** - Please explain how your municipality sought to contain inflationary pressures during the financial year. Take the 5 most expensive consultancy arrangements in 2008/09 and explain the costs, the reasons for the engagements and the results. Include such other introductory remarks as you wish.

T5.0.1

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

### INTRODUCTION TO FINANCIAL STATEMENTS

Note: Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**.

**Delete Directive note once comment is complete** - This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality

T5.1.0

# Chapter 7(new)

## 5.1 STATEMENTS OF FINANCIAL PERFORMANCE

# Chapter 7(new)

Financial Performance 2018/2019						
R' 000						
Description	Year 2017/2018	Current Year: 2018/2019			Year 1 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
<b>Financial Performance</b>						
Property rates	5 053	5 066	5 270	5 311	104.84%	100.78%
Service charges	12 427	17 734	17 356	12 674	71.47%	73.02%
Investment revenue	214	187	200	232	124.06%	116.00%
Transfers recognised - operational	243	179	22 104	174	97.21%	0.79%
Other own revenue	32 944	24 440	4 231	33 510	137.11%	792.01%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>50 881</b>	<b>47 606</b>	<b>49 161</b>	<b>51 901</b>	<b>109.02%</b>	<b>105.57%</b>
Employee costs	20 585	-	-	-	# DIV/0!	# DIV/0!
Remuneration of councillors	2 662	28 125	26 994	21 030	74.77%	77.91%
Debt impairment	8 896	3 241	3 023	2 594	80.04%	85.81%
Depreciation & asset impairment	9 265	4 996	4 996	7 850	157.13%	157.13%
Finance charges	3 533	3 008	3 871	7 429	246.97%	191.91%
Materials and bulk purchases	11 010	14 791	15 790	14 069	95.12%	89.10%
Transfers and grants	-	4 252	4 898	3 303	77.68%	67.44%
Other expenditure	11 441	10 671	10 720	12 027	112.71%	112.19%
<b>Total Expenditure</b>	<b>67 392</b>	<b>69 084</b>	<b>70 292</b>	<b>68 302</b>	<b>98.87%</b>	<b>97.17%</b>
<b>Surplus/(Deficit)</b>	<b>(16 511)</b>	<b>(21 478)</b>	<b>(21 131)</b>	<b>(16 401)</b>	<b>76.36%</b>	<b>77.62%</b>
Transfers recognised - capital	17 556	27 356	33 883	12 862	47.02%	37.96%
Contributions recognised - capital & contributed assets					# DIV/0!	# DIV/0!
<b>contributions</b>	<b>1 045</b>	<b>5 878</b>	<b>12 752</b>	<b>(3 539)</b>	<b>-60.21%</b>	<b>-27.75%</b>
Share of surplus/ (deficit) of associate					# DIV/0!	# DIV/0!
<b>Surplus/(Deficit) for the year</b>	<b>1 045</b>	<b>5 878</b>	<b>12 752</b>	<b>(3 539)</b>	<b>-60.21%</b>	<b>-27.75%</b>
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>					# DIV/0!	# DIV/0!
Transfers recognised - capital	17 556	27 356	33 883	12 862	47.02%	37.96%
Public contributions & donations		-			# DIV/0!	# DIV/0!
Borrowing		-		-	# DIV/0!	# DIV/0!
Internally generated funds	4 720	150	201	(14 378)	-9585.33%	-7153.23%
<b>Total sources of capital funds</b>	<b>22 276</b>	<b>27 506</b>	<b>34 084</b>	<b>(1 516)</b>	<b>-5.51%</b>	<b>-4.45%</b>
<b>Financial position</b>						
Total current assets	9 853	14	4 806	12 280	86400.65%	255.52%
Total non current assets	117 007	16 314	174	121 911	747.28%	70121.81%
Total current liabilities	52 580	26 694	31 194	58 294	218.38%	186.88%
Total non current liabilities	15 331	18 737	18 671	20 485	109.33%	109.72%
Community wealth/Equity	58 950	131 922	128 798	55 411	42.00%	43.02%
<b>Cash flows</b>						
Net cash from (used) operating	9 784	26 496	32 668	-	0.00%	0.00%
Net cash from (used) investing	(15 433)	(27 506)	(34 084)	-	0.00%	0.00%
Net cash from (used) financing	0	(23)	(23)	-	0.00%	0.00%
<b>Cash/cash equivalents at the year end</b>	<b>1 531</b>	<b>1 223</b>	<b>817</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>



# Chapter 7(new)

<b>Cash backing/surplus reconciliation</b>						
Cash and investments available	933	1 223	817	1 194	97.63%	146.14%
Application of cash and investments	848	(10 822)	682	935	-8.64%	137.10%
<b>Balance - surplus (shortfall)</b>	<b>85</b>	<b>12 045</b>	<b>(135)</b>	<b>259</b>	<b>2.15%</b>	<b>-191.84%</b>
<b>Asset management</b>						
Asset register summary (WDV)	117 007	163 140	173 856	121 911	74.73%	70.12%
Depreciation & asset impairment	9 265	3 008	3 871	7 429	246.96%	191.90%
Renewal of Existing Assets	-	5 000	-	-	0.00%	#DIV/0!
Repairs and Maintenance	3 434	1 951	2 447	2 513	128.79%	102.69%
<b>Free services</b>						
Cost of Free Basic Services provided	26 532	20 202	20 202	23 686	117.25%	117.25%
Revenue cost of free services provided	21 278	23 782	23 045	22 867	96.15%	99.23%
<b>Households below minimum service level</b>						
Water:	-	-	-	-	%	%
Sanitation/sewerage:	-	-	-	-	%	%
Energy:	-	-	-	-	%	%
Refuse:	-	-	-	-	%	%
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1</i>						T5.1.1

# Chapter 7(new)

Financial Performance of Operational Services						
R '000						
Description	Year 0	Year 1			Year 1 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
<b>Operating Cost</b>						
Water	-3017	-3555	-4103	-6304	43.61%	34.91%
Waste Water (Sanitation)	-1143	-2898	-2175	-920	-215.00%	-136.41%
Electricity	-7832	-4093	-2745	-4178	2.03%	34.30%
Waste Management	-6957	-2944	-2708	191	1641.36%	1517.80%
Housing	-	-	-	-	# DIV/0!	# DIV/0!
Component A: sub-total	-18949	-13490	-11731	-11211	-20.33%	-4.64%
Waste Water (Stormwater Drainage)					# DIV/0!	# DIV/0!
Roads	-996	-2093	-2003	-1460	-43.36%	-37.19%
Transport	-	-	-	-	# DIV/0!	# DIV/0!
Component B: sub-total	-996	-2093	-2003	-1460	-43.36%	-37.19%
Planning					# DIV/0!	# DIV/0!
Local Economic Development	-842	-1660	-1504	-908	-82.82%	-65.64%
Component B: sub-total					-50.02%	-49.13%
Planning (Strategic & Regulatory)	-	-	-	-	# DIV/0!	# DIV/0!
Local Economic Development	-	-	-	-	# VALUE!	# VALUE!
Component C: sub-total	-842	-1660	-1504	-908	-82.82%	-65.64%
Community & Social Services	-560	-1430	-1516	-1076	-32.90%	-40.89%
Environmental Protection	-	-	-	-	# DIV/0!	# DIV/0!
Health	-	-	-	-	# DIV/0!	# DIV/0!
Security and Safety	-	-	-	-	# DIV/0!	# DIV/0!
Sport and Recreation	-419	-643	-849	-310	-107.42%	-173.87%
Corporate Policy Offices and Other	5142	-2159	-1842	-1435	-50.45%	-28.36%
Component D: sub-total	4163	-4232	-4207	-2821	-50.02%	-49.13%
<b>Total Expenditure</b>	<b>-16624</b>	<b>-21475</b>	<b>-19445</b>	<b>-16400</b>	<b>-30.95%</b>	<b>-18.57%</b>
In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T5.1.2

## COMMENT ON FINANCIAL PERFORMANCE:

**Delete Directive note once comment is complete** – Comment on variances above 10%.

T5.1.3

# Chapter 7(new)

## 5.2 GRANTS

Grant Performance						
R' 000						
Description	Year 0	Year 1		Year 1 Variance		
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
<b>Operating Transfers and Grants</b>						
<b>National Government:</b>	18 291	19 390	19 390	19 364		
Equitable share	16 391	17 420	17 420	17 394	99.85%	99.85%
Municipal Systems Improvement	–	–	–	–	#DIV/0!	#DIV/0!
Department of Water Affairs	–	–	–	–	#DIV/0!	#DIV/0!
Levy replacement	–	–	–	–	#DIV/0!	#DIV/0!
Other transfers/grants [insert description]	–	–	–	–	#DIV/0!	#DIV/0!
Finance Mnagement grant	1 900	1 970	1 970	1 970	100.00%	100.00%
<b>Provincial Government:</b>	1 000	1 000	1 000	1 000		
Health subsidy	–	–	–	–	#DIV/0!	#DIV/0!
Housing	–	–	–	–	#DIV/0!	#DIV/0!
Ambulance subsidy	–	–	–	–	#DIV/0!	#DIV/0!
Sports and Recreation	–	–	–	–	#DIV/0!	#DIV/0!
EPWP	1 000	1 000	1 000	1 000	100.00%	100.00%
<b>District Municipality:</b>	–	–	–	–		
<i>Namakwa District</i>	–	–	–	–	#VALUE!	#VALUE!
					#DIV/0!	#DIV/0!
<b>Other grant providers:</b>	867	708	708	882		
<i>Library Development Fund</i>	867	708	708	708	100.00%	100.00%
<i>Vedanta</i>				130		
<i>LGSETA</i>	–	–	–	44	#DIV/0!	#DIV/0!
<b>Total Operating Transfers and Grants</b>	20 158	21 098	21 098	21 246		
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T5.2.1

# Chapter 7(new)

## COMMENT ON OPERATING TRANSFERS AND GRANTS:

Note: For Municipal Infrastructure Grant (MIG) see T5.8.3. For other conditional transfers including Neighborhood Development Partnership Grant (NDPG); Public Transport Infrastructure and Systems Grant (PITS) see **Appendix L**.

**Delete Directive note once comment is complete** – Comment on the variances in the above table and other and indicate high value projects & total the remaining project.

T5.2.2

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant Year 0	Actual Grant Year 1	Year 1 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
<b>Parastatals</b>						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
<b>Foreign Governments/Development Aid Agencies</b>						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
<b>Private Sector / Organisations</b>						
A - "Project 1"						
A - "Project 2"						
B - "Project 1"						
B - "Project 2"						
<i>Provide a comprehensive response to this schedule</i>						

T5.2.3

## COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

**Delete Directive note once comment is complete** – Use this box to provide additional information on grant benefits or conditions and reason for acceptance. Please also provide comments on grant surrendered to the National Revenue Fund with reasons that led to this.

T5.2.4

# Chapter 7(new)

## 5.3 ASSET MANAGEMENT

### INTRODUCTION TO ASSET MANAGEMENT

**Delete Directive note once comment is complete** – Provide a brief overview on Asset Management as practiced within your organisation and outline the key elements of your Asset Management Policy. Explain how asset management is organised, the staff involved and the key delegations. Describe key issues under development. Indicate the approach to capacity development for this activity. Refer to the illustrations of asset management approach in relation to the new assets set out below.

T5.3.1

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 1				
<b>Asset 1</b>				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
	Year -2	Year -1	Year 0	Year 1
Asset Value				
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				
<b>Asset 2</b>				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
	Year -2	Year -1	Year 0	Year 1
Asset Value				
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				
<b>Asset 3</b>				
Name				
Description				
Asset Type				
Key Staff Involved				
Staff Responsibilities				
	Year -2	Year -1	Year 0	Year 1
Asset Value				
Capital Implications				
Future Purpose of Asset				
Describe Key Issues				
Policies in Place to Manage Asset				

T5.3.2

# Chapter 7(new)

## COMMENT ON ASSET MANAGEMENT:

**Delete Directive note once comment's completed** – With reference to the three projects approved in the year, set out above, describe how these projects were evaluated from a cost and revenue perspective, including Municipal tax and tariff implications (See MFMA section 19(2) (a) & (b) and MSA section 74(2)(d),(e)&(i)). Ensure that these projects are maintained on files that are readily accessible for audit inspection. Financial data regarding asset management may be sourced from **MBRR Table A9**

T5.3.3

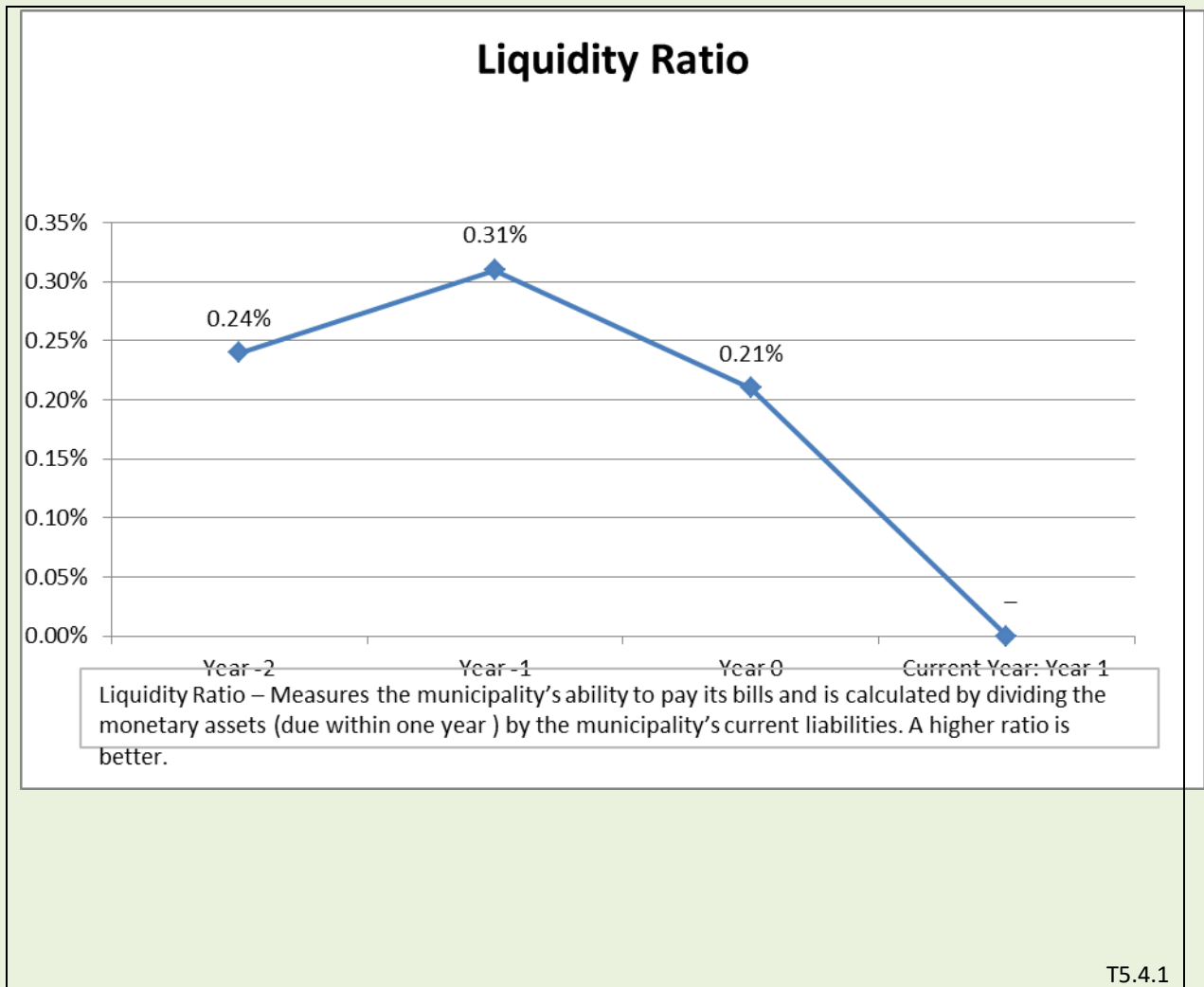
Repair and Maintenance Expenditure: Year 1				
				R' 000
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	1 591	2 714	1 942	-22.07%
				T5.3.4

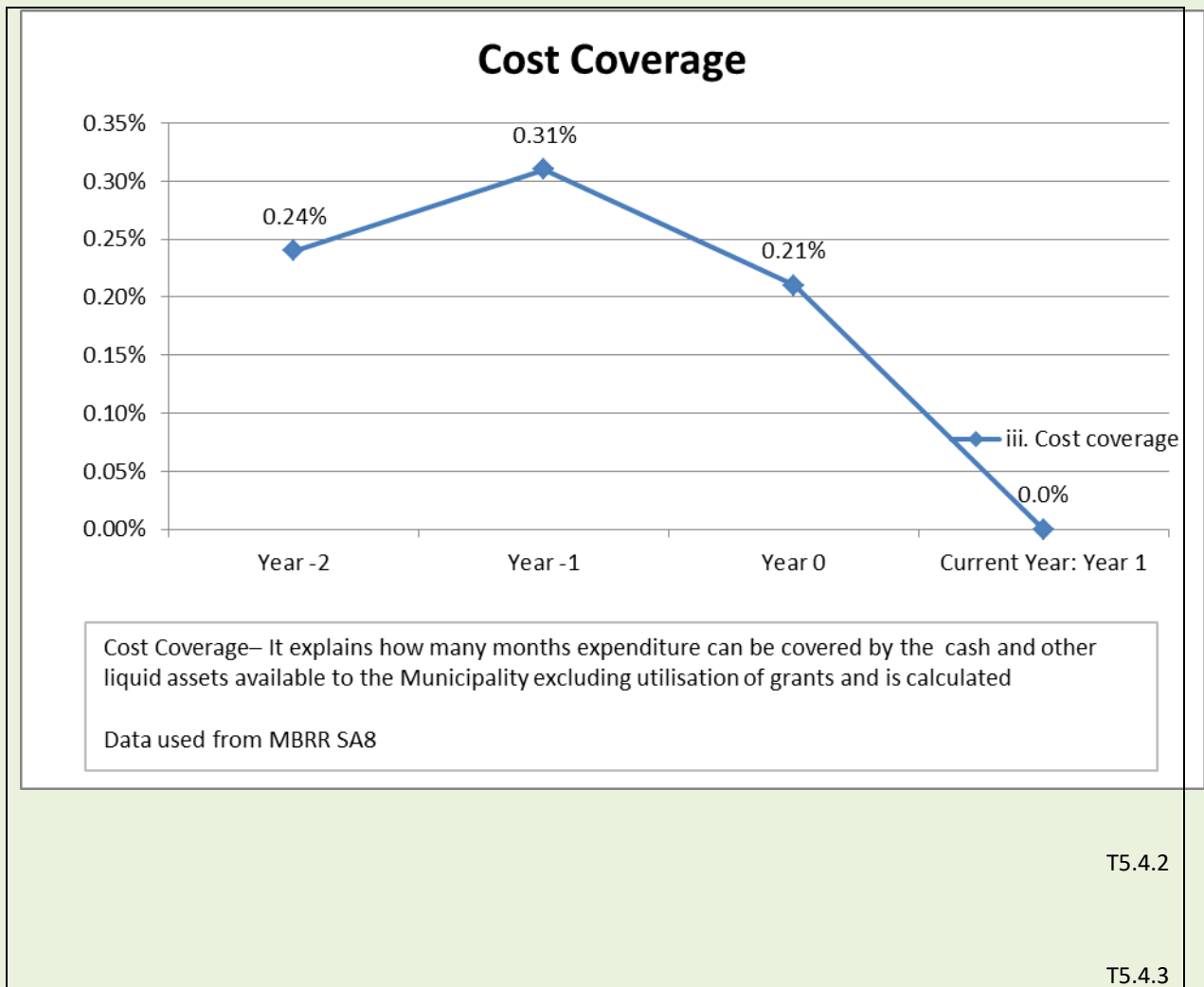
## COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

**Delete Directive note once comment's completed** – Comment on adequacy of Repair & Maintenance Expenditure and variances show in T5.3.4 above and on the implications of the proportion of operating budget spend on repairs and maintenance over the past four years set out below. Note that the repairs and maintenance expenditure in T5.3.4 must reconcile with the operational repairs and maintenance expenditure for all services set out in Chapter 3.

T5.3.4.1

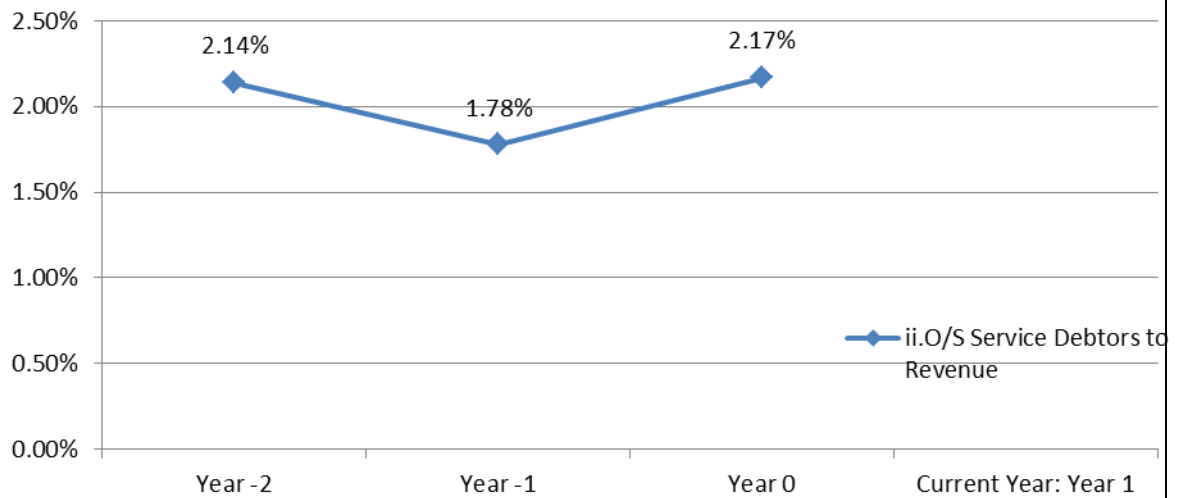
## 5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS







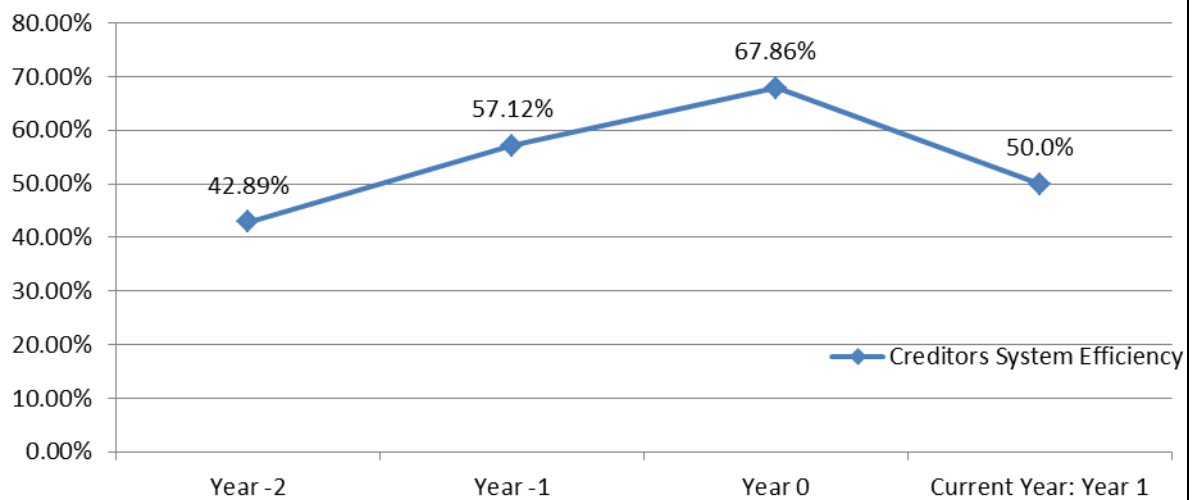
## Total Outstanding Service Debtors



Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

T5.4.4

## Creditors System Efficiency

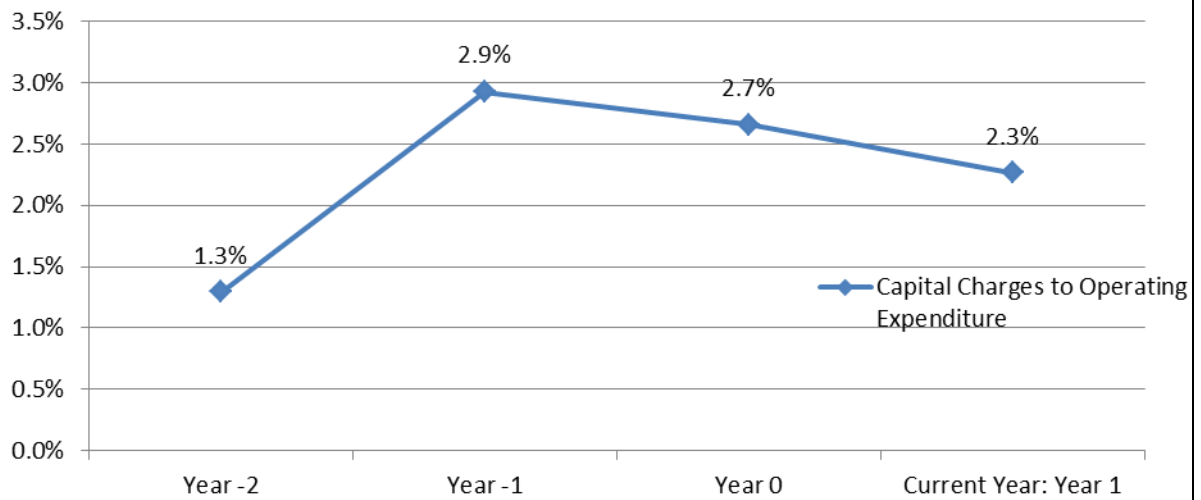


Creditor System Efficiency – The proportion of creditors paid within terms (i.e. 30 days). This ratio is calculated by outstanding trade creditors divided by credit purchases

Data used from MBRR SA8

T5.4.5

## Capital Charges to Operating Expenditure



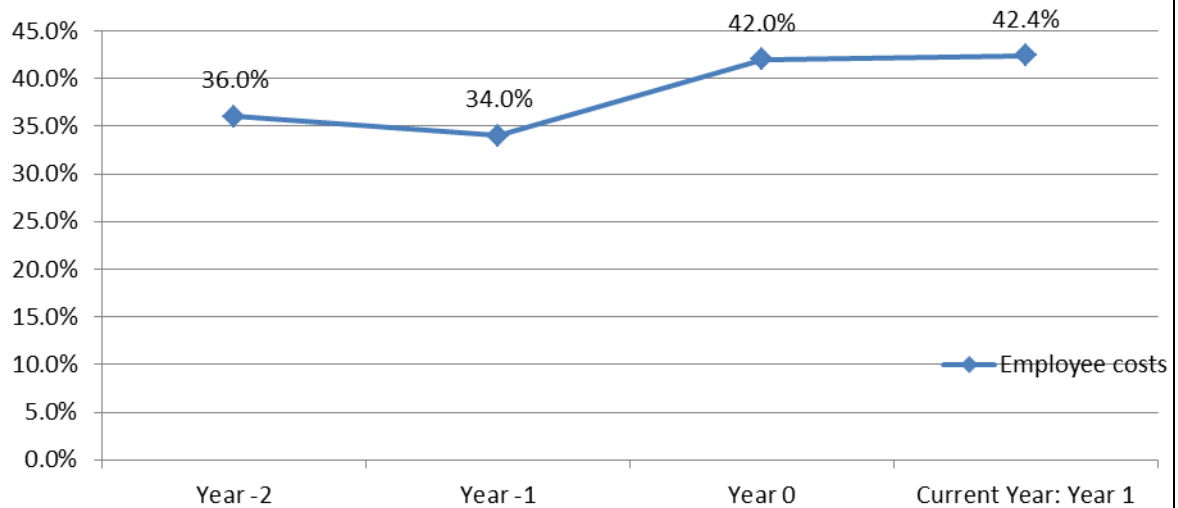
Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

T5.4.6

# Chapter 7(new)

## Employee Costs

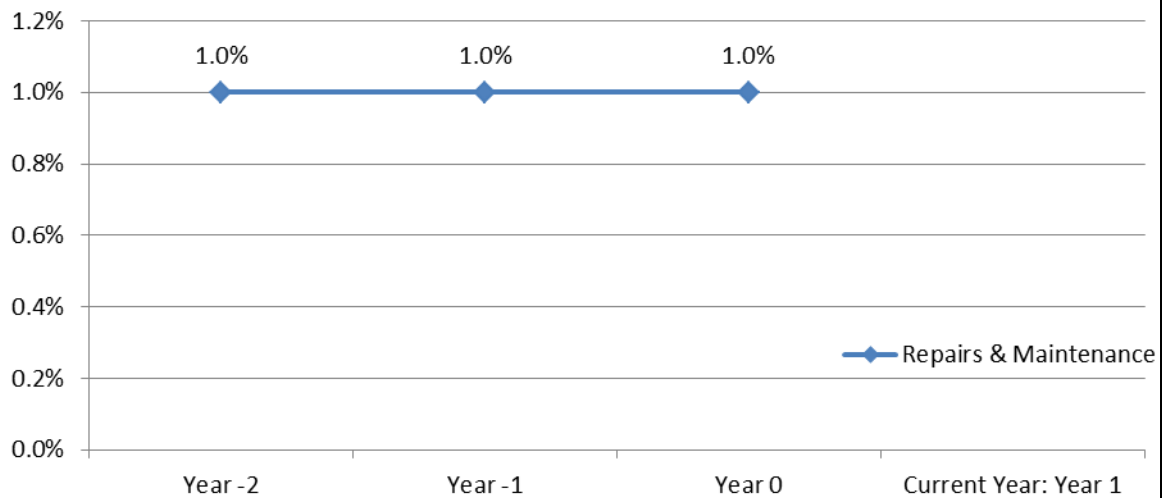


Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

T5.4.7

## Repairs & Maintenance



Repairs and Maintenance – This represents the proportion of operating expenditure spent and is calculated by dividing the total repairs and maintenance.

Data used from MBRR SA8

T5.4.8

COMMENT ON FINANCIAL RATIOS:

T5.4.9

# Chapter 7(new)

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

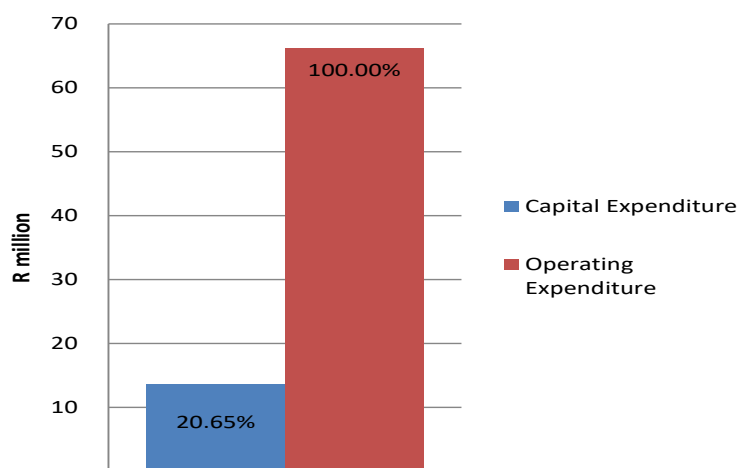
### INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

The Capital expenditure spend during the 2018/19 financial year amounting to 20.56 % of the total operating expenditure for 2018/2019 financial year.

T5.5.0

## 5.5 CAPITAL EXPENDITURE

### Capital Expenditure: Year 1



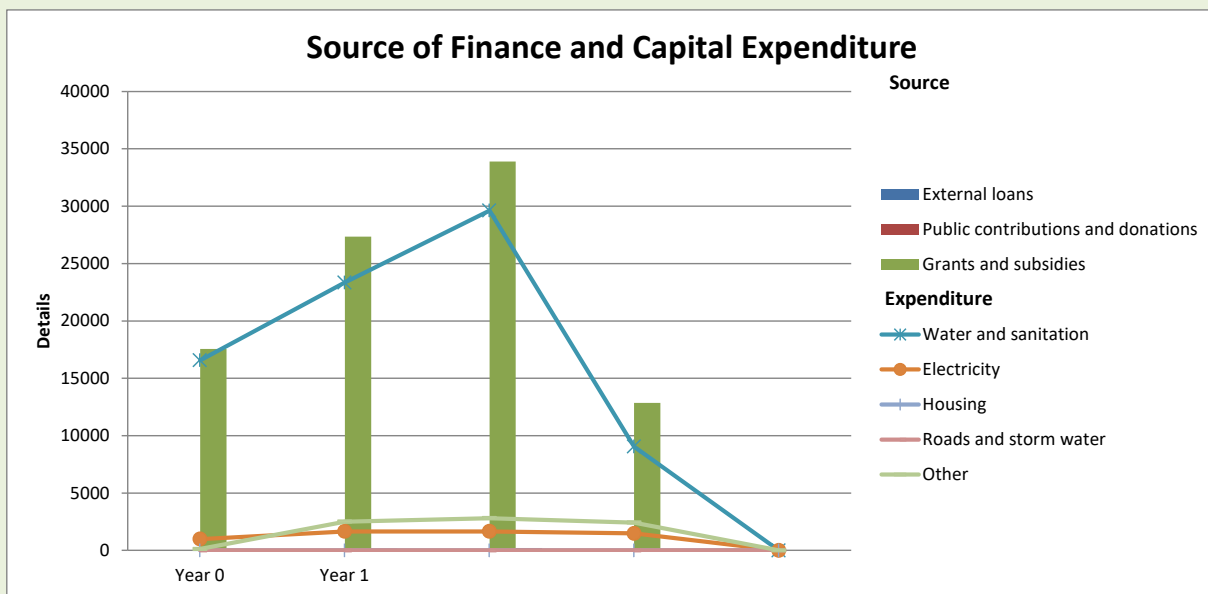
T5.5.1

## 5.6 SOURCES OF FINANCE

# Chapter 7(new)

Capital Expenditure - Funding Sources Year 0 to Year 1						
R' 000						
Details	Year 0	Year 1				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
<b>Source of finance</b>						
External loans	0	0	0	0	#DIV/0!	#DIV/0!
Public contributions and donations	0	0	0		#DIV/0!	#VALUE!
Grants and subsidies	17556	27356	33883	12862	23.86%	-52.98%
Other	120	150	201	99	34.00%	-34.00%
<b>Total</b>	<b>17676</b>	<b>27506</b>	<b>34084</b>	<b>12961</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>
<b>Percentage of finance</b>						
External loans	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
Grants and subsidies	99.3%	99.5%	99.4%	90.2%	-0.04%	-9.29%
Other	0.7%	0.5%	0.6%	9.8%	8.14%	1693.39%
<b>Capital expenditure</b>						
Water and sanitation	16573	23348	29623	9049	26.88%	-61.24%
Electricity	983	1650	1650	1483	0.00%	-10.12%
Housing	0	0	0	0	#DIV/0!	#DIV/0!
Roads and storm water	0	0	0	0	#DIV/0!	#DIV/0!
Other	120	2508	2811	2429	12.08%	-3.15%
<b>Total</b>	<b>17676</b>	<b>27506</b>	<b>34084</b>	<b>12961</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>
<b>Percentage of expenditure</b>						
Water and sanitation	93.8%	84.9%	86.9%	69.8%	2.39%	-17.75%
Electricity	5.6%	6.0%	4.8%	11.4%	-19.30%	90.74%
Housing	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
Roads and storm water	0.0%	0.0%	0.0%	0.0%	#DIV/0!	#DIV/0!
Other	0.7%	9.1%	8.2%	18.7%	-9.55%	105.54%
T5.6.1						

# Chapter 7(new)



COMMENT ON SOURCES OF FUNDING:

**Delete Directive note once comment is complete** – Explain any variations from the approved budget of more than 10% and discuss the total capital expenditure as a viable proportion of total expenditure.

T5.6.1.1

## 5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS



# Chapter 7(new)

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current Year: Year 1			Variance Current Year: Year 1	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A - Pofadder Bulk Water Supply Augmentation	4348	4096	4415	-2%	6%
C - Upgrading of Sport Facilities	2359	2610	2295	3%	-11%
D -				#DIV/0!	#DIV/0!
E -	-	-	-	#DIV/0!	#DIV/0!
* Projects with the highest capital expenditure in Year 1					
Name of Project - A	Pofadder Bulk Water Supply Augmentation				
Objective of Project	To ensure that the community have a better life throught service				
Delays	Fund less than tender				
Future Challenges	None				
Anticipated citizen benefits	2219				
Name of Project - B	Upgrading of Sport Facilities				
Objective of Project	To ensure that the community have a better life throught service				
Delays	Appointment of contractor				
Future Challenges	None				
Anticipated citizen benefits	1263				
Name of Project - C					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
Name of Project - D					
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
					T5.7.1

COMMENT ON CAPITAL PROJECTS:

**Delete Directive note once comment is complete** - Provide information in the template above on the 5 largest projects, ranked according to their approved budget provision year 1. Comment on the variance between the

# Chapter 7(new)

original and adjustment budgets and on availability of future Budget provision to operate the projects and lessons learnt in the year about capital project implementation on time to budget.

T5.7.1.1

## 5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

### INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

**Delete Directive note once comment is complete** – Explain that need and cost of backlogs are the result of migration into an area; migration out of an area; the trend towards disaggregation of families into more than one housing unit; and the cost of renewing and upgrading core infrastructure. Explain how this balance effects net demand in your municipality and how your municipality is responding to the challenges created.

T5.8.1

Service Backlogs as at Year 1				
	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water		%		%
Sanitation		%		%
Electricity		%		%
Waste management		%		%
Housing		%		%
% HHs are the service above/below minimum standard as a proportion of total HHs. 'Housing' refers to * formal and ** informal settlements.				

T5.8.2

# Chapter 7(new)

Municipal Infrastructure Grant (MIG)* Expenditure Year 1 on Service backlogs						R' 000
Details	Budget	Adjust-ments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust-ments Budget	
<b>Infrastructure - Road transport</b>				%	%	
Roads, Pavements & Bridges				%	%	
Storm water				%	%	
<b>Infrastructure - Electricity</b>				%	%	
Generation				%	%	
Transmission & Reticulation				%	%	
Street Lighting				%	%	
<b>Infrastructure - Water</b>				%	%	
Dams & Reservoirs				%	%	
Water purification				%	%	
Reticulation	4348	4096	4415	1.52%	7.23%	
<b>Infrastructure - Sanitation</b>				%	%	
Reticulation				%	%	
Sewerage purification				%	%	
<b>Infrastructure - Other</b>				%	%	
Waste Management				%	%	
Transportation				%	%	
Gas				%	%	
<b>Other Specify:</b>				%	%	
Sport facilities	2359	2610	2295	-2.79%	-13.73%	
				%	%	
				%	%	
<b>Total</b>				%	%	
* MIG is a government grant program designed to fund a reduction in service backlogs, mainly: Water; Sanitation; Roads; Electricity. Expenditure on new, upgraded and renewed infrastructure is set out at Appendix M; note also the calculation of the variation. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T5.8.3

## COMMENT ON BACKLOGS:

**Delete Directive note once comment's completed** - Comment on how MIG grants have been utilised to redress the backlogs and on the variances in T 5.8.3. If appropriate, comment that **Appendix P** contains details of schools and clinics that have been established that do not have ready access to one or more basic services and **Appendix Q** contains details of those services provided by other spheres of government (whether the municipality is involved on an agency basis or not) that carry significant backlogs.

T5.8.4

# Chapter 7(new)

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

### INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

**Delete Directive note once comment is complete** – Give a brief comment on the importance of cash flow management. Refer to the scope of this activity as indicated in this component and what you regard as the key management features of your municipality's approach. Refer to any other cash flow issues of current relevance to your municipality that are not adequately provided for in the format of this component.

T5.9.0

# Chapter 7(new)

## 5.9 CASH FLOW

Cash Flow Outcomes				
R'000				
Description	Year 0	Current Year: Year 1		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	21 144	18 515	17 555	20 190
Government - operating	18 874	22 104	22 104	17 879
Government - capital	14 362	27 356	33 883	13 825
Interest	293	1 725	200	660
Dividends				
<b>Payments</b>				
Suppliers and employees	(38 866)	(43 205)	(41 075)	(41 107)
Finance charges	(1 870)	–	–	(1 663)
Transfers and Grants	–	–	–	–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>13 937</b>	<b>26 496</b>	<b>32 668</b>	<b>9 784</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE		–	–	
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
<b>Payments</b>				
Capital assets	(13 669)	(27 506)	(34 084)	(15 443)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(13 669)</b>	<b>(27 506)</b>	<b>(34 084)</b>	<b>(15 443)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans				
Borrowing long term/refinancing	–	–	–	–
Increase (decrease) in consumer deposits	22	5	5	30
<b>Payments</b>				
Repayment of borrowing	(29)	(29)	(29)	(26)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(7)</b>	<b>(23)</b>	<b>(23)</b>	<b>5</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>261</b>	<b>(1 033)</b>	<b>(1 440)</b>	<b>(5 655)</b>
Cash/cash equivalents at the year begin:	933	2 257	2 257	6 588
Cash/cash equivalents at the year end:	1 194	1 223	817	933
Source: MBRR SA7				T5.9.1

The financial statements indicates that the municipality's current liabilities exceeds its current assets by R46 014 321 (2018 - R42 726 364) , and operated at a net deficit of R3 538 432 at year-end. This, in addition to the matters mentioned in note 56 to the financial statements, confirms that material in certainty over the municipality's ability to continue as a going concern.

# Chapter 7(new)

## 5.10 BORROWING AND INVESTMENTS

### INTRODUCTION TO BORROWING AND INVESTMENTS

No new long-term loans were entered into during the 2018/2019 financial year.

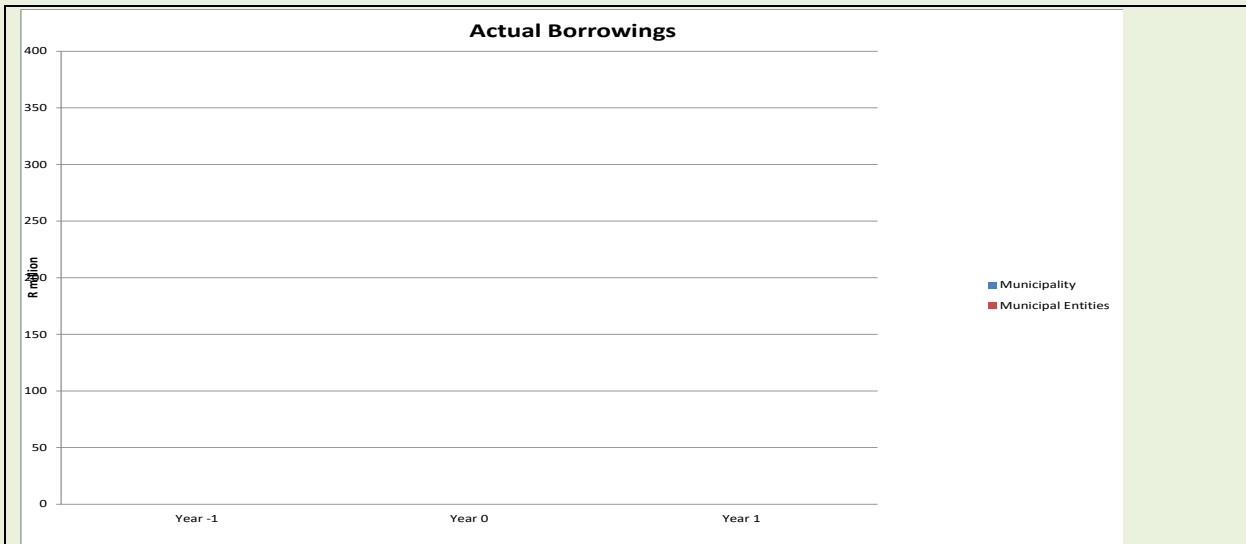
T5.10.1

Actual Borrowings Year-1 to Year 1			
	R' 000		
Instrument	Year -1	Year 0	Year 1
<b>Municipality</b>			
Long-Term Loans (annuity/reducing balance)	0	0	0
Long-Term Loans (non-annuity)	0	0	0
Local registered stock	0	0	0
Instalment Credit	0	0	0
Financial Leases	28	28	0
Other Securities			
<b>Municipality Total</b>	<b>28</b>	<b>28</b>	<b>0</b>
<b>Municipal Entities</b>			
Long-Term Loans (annuity/reducing balance)	0	0	0
Long-Term Loans (non-annuity)	0	0	0
Local registered stock	0	0	0
Instalment Credit	0	0	0
Financial Leases	0	0	0
Other Securities	0	0	0
<b>Entities Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

T5.10.2

xes

# Chapter 7(new)



T5.10.3

No loans. Only Financial leases – 2 Photocopiers (Nashua)

# Chapter 7(new)

Municipal and Entity Investments			
			R' 000
Investment* type	Year -1	Year 0	Year 1
	Actual	Actual	Actual
<b><u>Municipality</u></b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank	6 588	933	1 194
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
<b>Municipality sub-total</b>	<b>6 588</b>	<b>933</b>	<b>1 194</b>
<b><u>Municipal Entities</u></b>			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
<b>Entities sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Consolidated total:</b>	<b>6588</b>	<b>933</b>	<b>1194</b>
			T5.10.4

## COMMENT ON BORROWING AND INVESTMENTS:

The deposits in bank (Call deposits) consists mainly of unspent government grants.

T5.10.5



# Chapter 7(new)

## 5.11 PUBLIC PRIVATE PARTNERSHIPS

### PUBLIC PRIVATE PARTNERSHIP

**Delete Directive note once comment's completed** - Provide overview of agreements, contracts and projects undertaken during the year through PPP's – Refer to further details of PPP details **Appendix H. Table SA3 (MBRR)** may also be used to gain information on PPP's.

T5.11.1

## COMPONENT D: OTHER FINANCIAL MATTERS

## 5.12 SUPPLY CHAIN MANAGEMENT

### SUPPLY CHAIN MANAGEMENT

**Delete Directive note once comment is complete** - Provide a brief narrative that describes the progress made by your municipality in developing and implementing policies and practices in compliance with the guidelines set down by the SCM Regulations 2005. State whether any councilors are members of any committee handling Supply Chain processes; state the number of Supply Chain officials that have reached the prescribed levels required for their positions (See MFMA Competency Regulation Guidelines) and state the number of prescribed officials that are yet to reach the necessary competency levels; and set out any remarks made in the previous Auditor-General's report or his report for year 1 concerning the quality of Supply Chain Management and detail the remedial action taken, as necessary.

T5.12.1

## 5.13 GRAP COMPLIANCE

### GRAP COMPLIANCE

GRAP is the acronym for **G**enerally **R**ecognized **A**ccounting **P**ractice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that

# Chapter 7(new)

municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

**Delete Directive note once comment's completed** – Follow the above with information on progress with GRAP compliance at your municipality. Detail any instances where the municipality has deviated from the GRAP standards currently applicable.

T5.13.1

# Chapter 6

## CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

### INTRODUCTION

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA S45 states that the results of performance measurement... must be audited annually by the Auditor-General.

**Delete Directive note once comment's completed** - Refer to the Annual Financial Statements set out in Volume II and the timescale for the audit of these accounts and the audit of performance and the production of reports on these matters by the Auditor General as set out in this Chapter. If this is the version of the annual report presented to Council in September then the Auditor-Generals statements on this year's submissions will not be available for inclusion in this Chapter and this should be explained.

T6.0.1

## COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 0

### 6.1 AUDITOR GENERAL REPORTS YEAR 0 (PREVIOUS YEAR)

Auditor-General Report on Financial Performance Year 0	
<b>Audit Report Status*:</b>	<b>Qualified</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
An Audit Action Plan is compiled to address all audit queries.	
<i>Note: *The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)</i>	
	T6.1.1

# Chapter 6

## COMPONENT B: AUDITOR-GENERAL OPINION YEAR 1 (CURRENT YEAR)

### 6.2 AUDITOR GENERAL REPORT YEAR 1

Auditor-General Report on Service Delivery Performance: Year 0	
<b>Audit Report Status:</b>	<b>Qualified</b>
<b>Non-Compliance Issues</b>	<b>Remedial Action Taken</b>
An Audit Action Plan is compiled to address all audit queries.	
	T6.1.2

# Chapter 6

Auditor-General Report on Financial Performance Year 1*	
Status of audit report:	Qualified
Non-Compliance Issues	Remedial Action Taken
I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for community assets. As described in note 2, the restatement was made to rectify a previous year misstatement, but the restatement could not be substantiated by supporting audit evidence due to the status of accounting records. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any further adjustments relating to the community assets stated at R13 264 818 (2018: R11 196 608) and accumulated depreciation and accumulated impairment stated at R6 415 043 (2018: R5 949 694) in note 2 to the financial statements were necessary.	Audit action plan compiled
The municipality did not have adequate systems in place to account for solid waste infrastructure assets in terms GRAP 17, Property, plant and equipment. I was not able to determine the full extent of the misstatement to solid waste infrastructure assets stated at R5 331 736 (2018: R9 480 456) in note 2 to the financial statements were necessary as it was impracticable to do so. Consequently depreciation and accumulated depreciation were misstated by an unknown amount. Additionally there is a consequential impact on the deficit and accumulated deficit for the period.	Audit action plan compiled
The municipality did not have adequate systems in place to account for land in terms GRAP 17, Property, plant and equipment resulting in a understatement of land in the property, plant and equipment note by R1 046 000.	Audit action plan compiled
I was unable to obtain sufficient appropriate audit evidence to the provision for impairment on exchange receivables in accordance with GRAP 104, Financial instruments, due to a lack in systems at the municipality to provide sufficient and appropriate audit evidence. Consequently, I was unable to determine whether any adjustments to receivables from exchange stated at R48 508 569 (2018: R39 739 987) in note 7 of the financial statements were necessary.	Audit action plan compiled
The municipality did not recognise all service charges that have accrued in accordance with GRAP 9, Revenue from exchange transactions. As the municipality did not maintain adequate and complete records of services rendered, I was unable to determine the full extent of the understatement of service charges for the current and prior year as it was impracticable to do so. Consequently, trade receivables from exchange transactions and taxes were understated. Additionally, there was an impact on the water and electricity losses, the deficit for the period and on the accumulated deficit.	Audit action plan compiled
I was unable to obtain sufficient appropriate audit evidence to the provision for impairment on non – exchange receivables in accordance with GRAP 104, Financial instruments, due to a lack in systems at the municipality to provide sufficient and appropriate audit evidence. Consequently, I was unable to determine whether any adjustments to receivables from non-exchange stated at R4 078 982 (2018: R3 845 080) in note 8 of the financial statements were necessary.	Audit action plan compiled
The municipality did not recognise the provision for rehabilitation of landfill sites in accordance with GRAP 19, Provisions, contingent liabilities and contingent assets. The methods and assumptions applied in the calculation of the provision for rehabilitation of landfill sites are not considered reasonable. I was not able to determine the full extent of the misstatement to provisions stated at R27 108 353 (2018: R25 765 948) in note 11 to the financial statements as it was impracticable to do so. Additionally there is a consequential impact on the deficit and accumulated deficit for the period.	Audit action plan compiled
I was unable to obtain sufficient appropriate audit evidence to confirm inventory for the current and prior year, due to a lack in systems at the municipality to provide sufficient and appropriate audit evidence. I was unable to confirm this by alternative means. Consequently, I was unable to determine whether any adjustments to inventory stated at R2 202 625 (R2018: R1 339 531) in note 6 of the financial statements were necessary.	Audit action plan compiled
The municipality did not disclose all the fruitless and wasteful expenditure in the notes to the financial statements, as required by section 125(2)(d)(i) of the MFMA. The municipality incurred expenditure in vain that would have been avoided had reasonable care been exercised, resulting in fruitless and wasteful expenditure being understated in the current year. I was unable to determine the full extent of the understatement as it was impracticable to do so.	Audit action plan compiled
<p>Note: * The report's status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse). This table will be completed prior to the publication of the Annual report but following the receipt of the Auditor- General Report on Financial Performance Year 1.</p>	

T6.2.1

# Chapter 6

## AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 1

**Delete Directive note once comment is complete** - Attach report

T6.2.3

## COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 1:

**Delete Directive note once comment's completed** - Provide comments from the Municipal Manager / CFO on the Auditor-General's opinion. Include comments on YEAR 0 if it provides useful context.

T6.2.4

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES: Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief financial officer states that these data sets have been returned according to the reporting requirements/ with the exception of those items and for those reasons given at **Appendix S (delete '/...' if not applicable)**.

Signed (Chief financial Officer)..... Dated

T6.2.5

# GLOSSARY

## GLOSSARY

<b>Accessibility indicators</b>	Explore whether the intended beneficiaries are able to access services or outputs.
<b>Accountability documents</b>	Documents used by executive authorities to give “ <i>full and regular</i> ” reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
<b>Activities</b>	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe “ <i>what we do</i> ”.
<b>Adequacy indicators</b>	The quantity of input or output relative to the need or demand.
<b>Annual Report</b>	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
<b>Approved Budget</b>	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
<b>Baseline</b>	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
<b>Basic municipal service</b>	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
<b>Budget year</b>	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
<b>Cost indicators</b>	The overall cost or expenditure of producing a specified quantity of outputs.
<b>Distribution indicators</b>	The distribution of capacity to deliver services.
<b>Financial Statements</b>	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
<b>General Key performance indicators</b>	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
<b>Impact</b>	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
<b>Inputs</b>	All the resources that contribute to the production and delivery of outputs. Inputs are “ <i>what we use to do the work</i> ”. They include finances, personnel, equipment and buildings.
<b>Integrated Development Plan (IDP)</b>	Set out municipal goals and development plans.
<b>National Key performance areas</b>	<ul style="list-style-type: none"> <li>• Service delivery &amp; infrastructure</li> <li>• Economic development</li> <li>• Municipal transformation and institutional development</li> <li>• Financial viability and management</li> <li>• Good governance and community participation</li> </ul>

# GLOSSARY

<b>Outcomes</b>	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
<b>Outputs</b>	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
<b>Performance Indicator</b>	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
<b>Performance Information</b>	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
<b>Performance Standards:</b>	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
<b>Performance Targets:</b>	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
<b>Service Delivery Budget Implementation Plan</b>	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
<b>Vote:</b>	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: <i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i> <i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i>



# APPENDICES

## APPENDICES

### APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non- attendance
	FT/PT			%	%
Pasqueline Van Heerden	FT		Ward		
Bennie Josop	PT		Ward		
Estelle Cloete	PT		Ward		
Stephen Quincy	PT		Ward		
Stafanus April	PT		Party Represented		
Sylvia Brandt	PT		Party Represented		
Alexandra Van Wyk	PT		Party Represented		
Note: * Councillors appointed on a proportional basis do not have wards allocated to them					T A

#### CONCERNING TA

A spreadsheet exists to compile attendance data

**Delete Directive note before publication**

TA.1

# APPENDICES

## APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Finance Committee	To make recommendations to the council about the council's financial
Institutional Committee	To make recommendations to the council about personnel - and administrative matters
Infrastructure Committee	To make recommendations to the council about infrastructure matters.
	T B



# APPENDICES

## APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
<b>Constitution Schedule 4, Part B functions:</b>		
Air pollution	No	
Building regulations	Yes	
Child care facilities	Yes	
Electricity and gas reticulation	Yes	
Firefighting services	Yes	
Local tourism	Yes	
Municipal airports	No	
Municipal planning	Yes	
Municipal health services	Yes	
Municipal public transport	No	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this	No	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters	No	
Stormwater management systems in built-up areas	Yes	
Trading regulations	Yes	
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	
<i>Continued next page</i>		
<i>Continued from previous page</i>		

# APPENDICES

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*	Function Applicable to Entity (Yes / No)
<b>Constitution Schedule 5, Part B functions:</b>		
Beaches and amusement facilities	No	
Billboards and the display of advertisements in public places	No	
Cemeteries, funeral parlours and crematoria	Yes	
Cleansing	Yes	
Control of public nuisances	No	
Control of undertakings that sell liquor to the public	No	
Facilities for the accommodation, care and burial of animals	No	
Fencing and fences	Yes	
Licensing of dogs	No	
Licensing and control of undertakings that sell food to the public	No	
Local amenities	No	
Local sport facilities	Yes	
Markets	No	
Municipal abattoirs	Yes	
Municipal parks and recreation	Yes	
Municipal roads	Yes	
Noise pollution	No	
Pounds	No	
Public places	Yes	
Refuse removal, refuse dumps and solid waste disposal	Yes	
Street trading	Yes	
Street lighting	Yes	
Traffic and parking	No	
<b>* If municipality: indicate (yes or No); * If entity: Provide name of entity</b>		T D



# APPENDICES

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
No.	Priority Name and Detail	Progress During Year 1
1	WATER	Electricity line build for water pumps in Witbank
2	SANITATION	Upgrading of sewerage pumps in Blyvooruitsig
3	ELECTRICITY	No electricity connection due to MVA
4	REFUSE	Refuse removal still a challenge due the lack of vehicles
T.F.3		

TF.3

**ELECTED WARD MEMBERS (STATING NUMBER OF MEETING ATTENDED – MAXIMUM 12 MEETINGS)**

Names: xxx (8); xxx (7)...

TF.3

## APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 1

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during Year 1	Recommendations adopted (enter Yes) If not adopted (provide explanation)
31/01/2018	Audit committee was established during 2017/18	Only one meeting was held during the financial year
		T G

TG

## APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into Year 1)					
					R' 000
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
No Long Term Contracts entered into					
					T.H.1

TH.1

Public Private Partnerships Entered into Year 1					
					R' 000
Name and Description of Project	Name of Partner(s)	Initiation Date	Expiry date	Project manager	Value 2016/17
No PPP entered into 1 Year					
					T.H.2

TH.2

# APPENDICES

## APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

(Council do not have any municipal entities)

## APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

NOTE: To be viewed at office- To much pages due to total number of councillors and staff

Disclosures of Financial Interests		
Period 1 July to 30 June of Year 1 (Current Year)		
Position	Name	Description of Financial interests* (Nil / Or details)
(Executive) Mayor		
Member of MayCo / Exco		
Councillor		
Municipal Manager		
Chief Financial Officer		
Deputy MM and (Executive) Directors		
Other S57 Officials		
* Financial intersests to be disclosed even if they incurred for only part of the year. See MBRR SA34A		
T J		



# APPENDICES

## APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote 2018/19						
R' 000						
Vote Description	Year 0	Current Year: Year 1			Year 1 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Municipal Manager	16 391	17 420	17 420	17 452	0.18%	0.18%
Finance	12 405	7 769	8 119	10 948	29.04%	25.84%
Corporate Services	1 859	928	708	2 218	58.16%	68.08%
Infrastructure Development	37 664	48 845	56 798	34 146	-43.05%	-66.34%
Economic Development	–	–	–	–	#DIV/0!	#DIV/0!
<b>Total Revenue by Vote</b>	<b>68 319</b>	<b>74 962</b>	<b>83 045</b>	<b>64 764</b>	<b>-15.75%</b>	<b>-28.23%</b>
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3						T K.1

# APPENDICES

## APPENDIX K (ii): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source 2018/19						
R '000						
Description	Year 0	Year 1			Year 1 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	5 053	5 066	5 270	5 311	4.61%	0.77%
Property rates - penalties & collection charges	–	–	–	–	#DIV/0!	#DIV/0!
Service Charges - electricity revenue	7 495	9 016	8 540	8 305	-8.56%	-2.83%
Service Charges - water revenue	2 546	6 584	6 317	1 778	-270.30%	-255.29%
Service Charges - sanitation revenue	1 291	1 043	1 309	1 381	24.48%	5.21%
Service Charges - refuse revenue	1 094	1 091	1 191	1 210	9.83%	1.57%
Service Charges - other	–	–	–	–	#DIV/0!	#DIV/0!
Rentals of facilities and equipment	214	187	187	232	19.40%	19.40%
Interest earned - external investments	660	200	200	293	31.74%	31.74%
Interest earned - outstanding debtors	3 182	1 996	3 676	3 764	46.97%	2.34%
Fines	55	42	77	68	38.24%	-13.24%
Licences and permits	34	72	82	41	-75.61%	-100.00%
Agency services	243	179	179	174	-2.87%	-2.87%
Transfers recognised - operational	20 461	22 104	21 104	22 125	0.09%	4.61%
Other revenue	8 552	27	30	7 218	99.63%	99.58%
Gains on disposal of PPE	–	–	–	–	#DIV/0!	#DIV/0!
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>50 880</b>	<b>47 607</b>	<b>48 162</b>	<b>51 900</b>	<b>8.27%</b>	<b>7.20%</b>
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.						T K.2

# APPENDICES

## APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG 2018/19						R' 000
Details	Budget	Adjust-ments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust-ments Budget	
Neighbourhood Development Partnership Grant	0	0	0	#DIV/0!	#DIV/0!	
	0	0	0	#DIV/0!	#DIV/0!	
	0	0	0	#DIV/0!	#DIV/0!	
Public Transport Infrastructure and Systems Grant	0	0	0	#DIV/0!	#DIV/0!	
	0	0	0	#DIV/0!	#DIV/0!	
	0	0	0	#DIV/0!	#DIV/0!	
	0	0	0	#DIV/0!	#DIV/0!	
<b>Other Specify:</b>	0	0	0	#DIV/0!	#DIV/0!	
EPWP	1000	0	1000	0.00%	100.00%	
WSIG	5000	0	5081	1.59%	100.00%	
INEP	1650	0	1071	-54.06%	100.00%	
FMG	1970	0	1970	0.00%	100.00%	
LIBRARY DEVELOPMENT FUND	708	0	708	0.00%	100.00%	
<b>Total</b>	10328	0	9830	-5.07%	100.00%	
* This includes Neighbourhood Development Partnership Grant, Public Transport Infrastructure and Systems Grant and any other grant excluding Municipal Infrastructure Grant (MIG) which is dealt with in the main report, see T5.8.3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						T L

COMMENT ON CONDITIONAL GRANTS EXCLUDING MIG:

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# APPENDICES

## APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

### APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							
R '000							
Description	Year 1				Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure - Total</b>	12 250	15 998	28 774	8 626	-	-	-
<b>Infrastructure: Road transport - Total</b>	-	-	-	501	-	-	-
Roads, Pavements & Bridges	-	-	-	501	-	-	-
Storm water	-	-	-	-	-	-	-
<b>Infrastructure: Electricity - Total</b>	199	1 650	1 650	1 483	-	-	-
Generation	-	-	-	-	-	-	-
Transmission & Reticulation	199	1 650	1 650	1 483	-	-	-
Street Lighting	-	-	-	-	-	-	-
<b>Infrastructure: Water - Total</b>	12 051	14 348	27 124	6 642	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-
Reticulation	12 051	14 348	27 124	6 642	-	-	-
<b>Infrastructure: Sanitation - Total</b>	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-
<b>Infrastructure: Other - Total</b>	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Community - Total</b>	-	-	-	-	-	-	-
Parks & gardens	-	-	-	-	-	-	-
Sportsfields & stadia	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-
Museums & Art Galleries	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Table continued next page							

# APPENDICES

Table continued from previous page

Capital Expenditure - New Assets Programme*							
R '000							
Description	Year 0	Year 1			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>							
<b>Heritage assets - Total</b>	-	-		-	-	-	-
Buildings							
Other							
<b>Investment properties - Total</b>	-	-		-	-	-	-
Housing development							
Other							
<b>Other assets</b>	559	150	201	76	-	-	-
General vehicles	378	-	-	-	-	-	-
Specialised vehicles	-						
Plant & equipment	181	10	10	5	-	-	-
Computers - hardware/equipment	-	130	181	63	-	-	-
Furniture and other office equipment	-	10	10	8	-	-	-
Abattoirs	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-
Other Buildings	-	-	-	-	-	-	-
Other Land	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventor	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Agricultural assets</b>	-	-		-	-	-	-
List sub-class							
<b>Biological assets</b>	-	-		-	-	-	-
List sub-class							
<b>Intangibles</b>	26	-	-	23	-	-	-
Computers - software & programming	26		-	23			
Other (list sub-class)							
<b>Total Capital Expenditure on new asset</b>	12 835	16 148	28 975	8 725	-	-	-
<b>Specialised vehicles</b>	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							
* Note: Information for this table may be sourced from MBRR (2009: Table SA34a)							T M.1

# APPENDICES

Capital Expenditure - Upgrade/Renewal Programme*							
R '000							
Description	Year 0	Year 1			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>							
<b>Infrastructure - Total</b>	6 833	9 000	–	2 408	–	–	–
Infrastructure: Road transport -Total	–	–	–	–	–	–	–
Roads, Pavements & Bridges		–	–	–			
Storm water							
<b>Infrastructure: Electricity - Total</b>	–	–		–	–	–	–
Generation							
Transmission & Reticulation							
Street Lighting							
<b>Infrastructure: Water - Total</b>	–	–		–	–	–	–
Dams & Reservoirs							
Water purification							
Reticulation							
<b>Infrastructure: Sanitation - Total</b>	–	9 000	2 499	2 408	–	–	–
Reticulation	–	9 000	2 499	2 408			
Sewerage purification							
<b>Infrastructure: Other - Total</b>	6 833	–	–	–	–	–	–
Waste Management	6 833						
Transportation							
Gas							
Other			–				
<b>Community</b>	2 959	2 358	2 610	2 536	–	–	–
Parks & gardens							
Sportsfields & stadia	2 959	2 358	2 610	2 536	–	–	–
Swimming pools							
Community halls							
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
<b>Heritage assets</b>	–	–		–	–	–	–
Buildings							
Other							

Table continued next page

# APPENDICES

Table continued from previous page

Capital Expenditure - Upgrade/Renewal Programme*							
R '000							
Description	Year 0	Year 1			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
<b>Capital expenditure by Asset Class</b>							
<b>Investment properties</b>	-	-		-	-	-	-
Housing development							
Other							
<b>Other assets</b>	-	-		-	-	-	-
General vehicles							
Specialised vehicles							
Plant & equipment							
Computers - hardware/equipment							
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other							
<b>Agricultural assets</b>	-	-		-	-	-	-
List sub-class							
<b>Biological assets</b>	-	-		-	-	-	-
List sub-class							
<b>Intangibles</b>	-	-	-	-	-	-	-
Computers - software & programming							
Other (list sub-class)							
<b>Total Capital Expenditure on renewal of existing assets</b>	9 792	11 358	5 109	4 944	-	-	-
<b>Specialised vehicles</b>	-	-		-	-	-	-
Refuse							
Fire							
Conservancy							
Ambulances							

\* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)

T M.2

# APPENDICES

APPENDIX M (ii): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 1

New Capital Programme by Project: Year 2018/19					
					R' 000
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
<b>Water</b>					
MIG 1359: Pofadder Bulk Water Supply Augmentation	14 348	27 124	6 642	-308%	-116%
<b>Roads/Stormwater</b>					
	-	-	-	#DIV/0!	#DIV/0!
	-	-	-	#DIV/0!	#DIV/0!
<b>Electricity</b>					
Electricity connections	1 650	1 650	1 483	-11%	-11%
	-	-	-	#DIV/0!	#DIV/0!
<b>Sewerage</b>					
	-	-	-	#DIV/0!	#DIV/0!
	-	-	-	#DIV/0!	#DIV/0!
<b>Community</b>					
	-	-	-	#DIV/0!	#DIV/0!
	-	-	-	#DIV/0!	#DIV/0!
<b>Parks and Recreation</b>					
	-	-	-	#DIV/0!	#DIV/0!
					T N



# APPENDICES

## APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 1

Capital Programme by Project by Ward: Year 1		
Capital Project	Ward(s) affected	Works completed (Yes/No)
<b>Water</b>		
MIG 1359: Pofadder Bulk Water Supply Augmentation	Ward 4	No
Bulk water Onseepkans	Ward 1	No
Upgrading of internal reticulation -Pofadder	Ward 4	Yes
<b>Roads and Stormwater</b>		
<b>Electricity</b>		
Electricity connections	Ward 2	Yes
<b>Sewerage</b>		
Upgrading of sewerage pumpstation	Ward 2	No
<b>Sports, Arts &amp; Culture</b>		
MIG 1451:Upgrading of Sport Facilities	Ward 1,3,4	No

# APPENDICES

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services	Water, sanitation, refuse removal, roads, storm water, electricity, land and housing	80%
Output: Implementation of the Community Work Programme	Organisational transformation to match IDP requirements, internal policies dealing with national priorities, general management practices and training	60%
Output: Deepen democracy through a refined Ward Committee model	Public relations, marketing and communication, empowering wards, public participation structures and mechanisms and service ethics (Batho Pele)	60%
Output: Administrative and financial capability	Financial policies, budget management, assets and liability control and supporting strategies to fund priorities	80%
* Note: Some of the outputs detailed on this table might have been reported for in other chapters, the information thereof should correspond with previously reported information.		
T T		

# APPENDICES

## APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Service Backlogs: Schools and Clinics				
Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
<b>Schools (NAMES, LOCATIONS)</b>				
<b>Clinics (NAMES, LOCATIONS)</b>				
Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.				TP

# APPENDICES

## APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Not applicable to this Municipality

Service Backlogs Experienced by the Community where another Sphere of Government is the Service Provider (where the municipality whether or not act on agency basis)		
Services and Locations	Scale of backlogs	Impact of backlogs
<b>Clinics:</b>		
<b>Housing:</b>		
<b>Licencing and Testing Centre:</b>		
<b>Reseviors</b>		
<b>Schools (Primary and High):</b>		
<b>Sports Fields:</b>		
		T Q

# APPENDICES

## APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality: Year 1				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 1 R' 000	Total Amount committed over previous and future years
No Loans				
* Loans/Grants - whether in cash or in kind				T R



# APPENDICES

## APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

National and Provincial Outcomes for Local Government		
Outcome/Output	Progress to date	Number or Percentage Achieved
Output: Improving access to basic services		
Output: Implementation of the Community Work Programme		
Output: Deepen democracy through a refined Ward Committee model		
Output: Administrative and financial capability		
* Note: Some of the outputs detailed on this table might have been reported for in other chapters, the information thereof should correspond with previously reported information.		
T T		

## **KHAI-MA MUNICIPALITY**



**AUDITED FINANCIAL STATEMENTS**

**FINANCIAL STATEMENTS**

**30 JUNE 2019**



# APPENDICES

## KHAI-MA MUNICIPALITY

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# APPENDICES

## KHAI-MA MUNICIPALITY

### FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

#### GENERAL INFORMATION

##### NATURE OF BUSINESS

Khai-Ma Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

##### COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

##### JURISDICTION

The Khai-Ma Municipality includes the areas of Pofadder, Aggeneys, Pella, Witbank and Onseepkans.

##### EXECUTIVE MAYOR

PA van Heerden

##### MUNICIPAL MANAGER

OJ Isaacs

##### CHIEF FINANCIAL OFFICER

PJ van der Merwe

##### REGISTERED OFFICE

P.O. Box 108  
Pofadder  
8890

##### AUDITORS

Office of the Auditor-General (Province)

##### PRINCIPLE BANKERS

The Standard Bank of S.A. Ltd

# APPENDICES

## ATTORNEYS

Van der Merwe/Miller Ing.

## RELEVANT LEGISLATION

Basic Conditions of Employment Act (Act no 75 of 1997)  
 Collective Agreements  
 Division of Revenue Act  
 Electricity Act (Act no 41 of 1987)  
 Employment Equity Act (Act no 55 of 1998)  
 Housing Act (Act no 107 of 1997)  
 Infrastructure Grants  
 Municipal Budget and Reporting Regulations  
 Municipal Finance Management Act (Act no 56 of 2003)  
 Municipal Planning and Performance Management Regulations  
 Municipal Property Rates Act (Act no 6 of 2004)  
 Municipal Regulations on Standard Chart of Accounts  
 Municipal Structures Act (Act no 117 of 1998)  
 Municipal Systems Act (Act no 32 of 2000)  
 Municipal Systems Amendment Act (Act no 7 of 2011)  
 SALBC Leave Regulations  
 Skills Development Levies Act (Act no 9 of 1999)  
 Supply Chain Management Regulations, 2005  
 The Income Tax Act  
 Unemployment Insurance Act (Act no 30 of 1966)  
 Value Added Tax Act  
 Water Services Act (Act no 108 of 1997)

## MEMBERS OF THE KHAI-MA MUNICIPALITY

### WARD

1  
 2  
 3  
 4  
 Proportional  
 Proportional  
 Proportional

### COUNCILLOR

B Josop  
 E Cloete  
 PA van Heerden  
 S Quincy  
 S Brandt  
 A van Wyk  
 S April

# APPENDICES

## KHAI-MA MUNICIPALITY

### APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2019, which are set out on pages 5 to 100 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

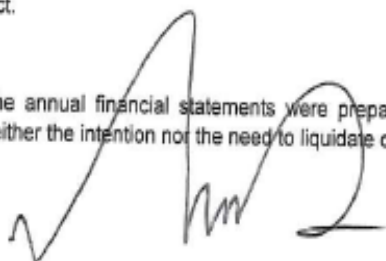
I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2020 and am satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements were prepared on the going concern basis and the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.



OJ Isaacs  
Municipal Manager

31 August 2019  
Date

# APPENDICES

KHAJ-MA MUNICIPALITY			
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2019			
	Notes	2019 R	2018 R
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>121 910 977</b>	<b>117 007 157</b>
Property, Plant and Equipment	2	117 528 853	111 201 397
Investment Property	3	4 186 576	5 519 218
Intangible Assets	4	195 548	286 542
<b>Current Assets</b>		<b>12 280 125</b>	<b>9 853 439</b>
Inventory	6	2 202 625	1 339 531
Receivables from Exchange Transactions	7	2 338 968	2 570 546
Receivables from Non-exchange Transactions	8	1 084 060	363 401
Taxes	17	5 460 482	4 646 751
Cash and Cash Equivalents	9	1 193 990	933 210
<b>Total Assets</b>		<b>134 191 102</b>	<b>126 860 596</b>
<b>NET ASSETS AND LIABILITIES</b>			
<b>Non-Current Liabilities</b>		<b>20 485 199</b>	<b>15 330 904</b>
Long-term Borrowings	10	-	-
Non-current Provisions	11	14 159 725	8 662 988
Non-current Employee Benefits	12	6 325 474	6 667 916
<b>Current Liabilities</b>		<b>58 294 446</b>	<b>52 579 803</b>
Consumer Deposits	13	178 579	156 639
Provisions	11	12 948 628	17 102 959
Current Employee Benefits	14	2 708 138	2 435 923
Trade and Other Payables from Exchange Transactions	15	40 890 977	29 533 894
Unspent Transfers and Subsidies	16	1 464 921	3 215 896
Operating Lease Liability	5	103 203	105 804
Current Portion of Long-term Borrowings	10	-	28 688
<b>Total Liabilities</b>		<b>78 779 645</b>	<b>67 910 707</b>
<b>Net Assets</b>		<b>55 411 457</b>	<b>58 949 889</b>
Housing Development Fund	19	-	-
Revaluation Reserve	19	27 986 997	28 174 539
Accumulated Surplus/(Deficit)		27 424 460	30 775 350
<b>Total Net Assets and Liabilities</b>		<b>134 191 102</b>	<b>126 860 596</b>

# APPENDICES

KHAI-MA MUNICIPALITY			
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019			
	Notes	2019 R	2018 R
<b>REVENUE</b>			
<b>Revenue from Non-exchange Transactions</b>		<b>49 226 757</b>	<b>52 105 035</b>
<b>Taxation Revenue</b>		<b>5 336 443</b>	<b>5 075 376</b>
Property Rates	20	5 310 563	5 053 365
Surcharges and Taxes		25 880	22 011
<b>Transfer Revenue</b>		<b>34 986 758</b>	<b>38 017 665</b>
Government Grants and Subsidies	21	34 986 758	37 639 480
Contributed Property, Plant and Equipment		-	378 185
<b>Other Revenue</b>		<b>8 903 556</b>	<b>9 011 994</b>
Actuarial Gains	12	1 333 012	283 927
Availability Charges	22	4 164 898	3 893 670
Fines, Penalties and Forfeits		68 125	54 832
Interest Earned - Non-exchange Transactions		358 180	296 795
Operational Revenue	29	2 979 341	4 482 770
<b>Revenue from Exchange Transactions</b>		<b>16 869 394</b>	<b>16 615 640</b>
Service Charges	24	12 674 345	12 426 563
Sales of goods and rendering of services	25	45 108	26 819
Rental from Fixed Assets	26	231 876	213 825
Interest Earned - External Investments	27	293 490	659 591
Interest Earned - Exchange Transactions	28	3 406 110	2 885 264
Licences and Permits	23	41 239	33 688
Agency Services		174 197	242 808
Operational Revenue	29	3 029	127 081
<b>Total Revenue</b>		<b>66 096 152</b>	<b>68 720 675</b>
<b>EXPENDITURE</b>			
Employee related costs	30	(22 194 608)	(20 868 494)
Remuneration of Councillors	31	(2 593 917)	(2 661 775)
Contracted Services	32	(3 302 677)	(2 036 910)
Depreciation and Amortisation	33	(7 428 546)	(9 265 266)
Actuarial Losses	12	(168 759)	(19 535)
Finance Costs	34	(3 858 021)	(3 532 844)
Bulk Purchases	35	(10 210 900)	(9 197 561)
Inventory Consumed	6	(1 553 616)	(1 812 084)
Operational Costs	36	(7 668 376)	(6 182 060)
<b>Total Expenditure</b>		<b>(58 979 421)</b>	<b>(55 576 529)</b>
<b>Operating Surplus/(Deficit) for the Year</b>		<b>7 116 731</b>	<b>13 144 147</b>
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	6	(8 000)	-
Reversal of Impairment Loss/(Impairment Loss) on Receivables	37	(7 849 756)	(8 895 501)
Gains/(Loss) on Sale of Fixed Assets	38	(75 562)	(5 736)
Water Losses	39	(2 721 845)	(3 196 540)
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>(3 538 432)</b>	<b>1 046 370</b>

# APPENDICES

KHAJ-MA MUNICIPALITY				
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2019				
	Housing Development Fund	Revaluation Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R
<b>Balance at 1 July 2017</b>	<b>16 155</b>	<b>28 362 081</b>	<b>30 912 595</b>	<b>59 290 831</b>
Correction of Error - Note 41.10	(16 155)	-	(1 371 158)	(1 387 313)
<b>Restated balance</b>	<b>0</b>	<b>28 362 081</b>	<b>29 541 437</b>	<b>57 903 518</b>
Net Surplus/(Deficit) for the year	-	-	1 046 370	1 046 370
Net Surplus/(Deficit) previously reported	-	-	782 428	782 428
Effects of Correction of Errors - Note 41.11	-	-	263 942	263 942
Offsetting of depreciation	-	(187 542)	187 542	-
<b>Restated balance at 30 June 2018</b>	<b>0</b>	<b>28 174 539</b>	<b>30 775 349</b>	<b>58 949 888</b>
Net Surplus/(Deficit) for the year	-	-	(3 538 432)	(3 538 432)
Transfer to Housing Development Fund	-	-	-	-
Offsetting of depreciation	-	(187 542)	187 542	-
<b>Balance at 30 June 2019</b>	<b>0</b>	<b>27 986 997</b>	<b>27 424 458</b>	<b>55 411 456</b>

# APPENDICES

KHAI-MA MUNICIPALITY			
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2019			
	Notes	2019 R	2018 R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts			
Taxation		5 537 799	3 886 190
Service Charges		12 852 078	11 109 197
Other Revenue		2 754 179	5 194 466
Government - Operating		18 873 783	17 878 843
Government - Capital		14 362 000	13 825 000
Interest		293 490	659 591
Dividends		-	-
Cash payments			
Suppliers and Employees		(38 866 123)	(41 106 856)
Finance Charges		(1 870 454)	(1 662 835)
Transfers and Grants		-	-
<b>Net Cash from Operating Activities</b>	<b>42</b>	<b>13 936 752</b>	<b>9 783 596</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment		(13 646 457)	(15 416 764)
Purchase of Intangible Assets		(22 767)	(26 258)
<b>Net Cash from Investing Activities</b>		<b>(13 669 224)</b>	<b>(15 443 022)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Increase/(Decrease) in Consumer Deposits		21 941	30 164
Repayment of Borrowing		(28 688)	(25 546)
<b>Net Cash from Financing Activities</b>		<b>(6 748)</b>	<b>4 618</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>260 780</b>	<b>(5 654 807)</b>
Cash and Cash Equivalents at the beginning of the year		933 210	6 588 017
Cash and Cash Equivalents at the end of the year	<b>43</b>	<b>1 193 990</b>	<b>933 210</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>260 780</b>	<b>(5 654 807)</b>



# APPENDICES

KHAI-MA MUNICIPALITY									
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS									
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2019									
	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	2019 R	%
<b>ASSETS</b>									
<b>Current Assets</b>									
Cash		823 163	(406 399)	416 764	-	-	416 764	258 387	-38.00%
Call Investment Deposits		400 000	-	400 000	-	-	400 000	935 603	133.90%
Consumer Debtors		11 337 039	(9 000 000)	2 337 039	-	-	2 337 039	2 452 143	4.93%
Other Debtors		1 123 613	-	1 123 613	-	-	1 123 613	6 431 367	472.38%
Current Portion of long-term receivables		-	-	-	-	-	-	-	-
Inventory		528 878	-	528 878	-	-	528 878	2 202 625	316.47%
<b>Total Current Assets</b>	<b>46.2.1</b>	<b>14 212 693</b>	<b>(9 406 399)</b>	<b>4 806 294</b>	<b>-</b>	<b>-</b>	<b>4 806 294</b>	<b>12 280 125</b>	<b>155.50%</b>
<b>Non-Current Assets</b>									
Long-term Receivables		-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-
Investment Property		1 279 359	-	1 279 359	-	-	1 279 359	4 186 576	227.24%
Investment in Associates		-	-	-	-	-	-	-	-
Property, Plant and Equipment		161 855 451	10 715 441	172 570 892	-	-	172 570 892	117 528 853	-31.90%
Agricultural Assets		-	-	-	-	-	-	-	-
Biological Assets		-	-	-	-	-	-	-	-
Intangible Assets		5 316	-	5 316	-	-	5 316	195 548	3578.48%
Other Non-Current Assets		-	-	-	-	-	-	-	-
<b>Total Non-Current Assets</b>	<b>46.2.2</b>	<b>163 140 126</b>	<b>10 715 441</b>	<b>173 855 567</b>	<b>-</b>	<b>-</b>	<b>173 855 567</b>	<b>121 910 977</b>	<b>-29.88%</b>
<b>TOTAL ASSETS</b>		<b>177 352 819</b>	<b>1 309 042</b>	<b>178 661 861</b>	<b>-</b>	<b>-</b>	<b>178 661 861</b>	<b>134 191 102</b>	<b>-24.89%</b>
<b>LIABILITIES</b>									
<b>Current Liabilities</b>									
Bank Overdraft		-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-
Consumer Deposits		131 681	-	131 681	-	-	131 681	178 579	35.62%
Trade and Other Payables		24 148 919	(21 735 763)	2 413 156	-	-	2 413 156	45 167 239	1771.71%
Provisions		2 413 156	26 235 763	28 648 919	-	-	28 648 919	12 948 628	-54.80%
<b>Total Current Liabilities</b>	<b>46.2.3</b>	<b>26 693 756</b>	<b>4 500 000</b>	<b>31 193 756</b>	<b>-</b>	<b>-</b>	<b>31 193 756</b>	<b>58 294 446</b>	<b>86.88%</b>
<b>Non-Current Liabilities</b>									
Borrowing		-	-	-	-	-	-	-	-
Provisions		18 736 843	(66 253)	18 670 590	-	-	18 670 590	20 485 199	9.72%
<b>Total Non-Current Liabilities</b>		<b>18 736 843</b>	<b>(66 253)</b>	<b>18 670 590</b>	<b>-</b>	<b>-</b>	<b>18 670 590</b>	<b>20 485 199</b>	<b>9.72%</b>
<b>TOTAL LIABILITIES</b>		<b>45 430 599</b>	<b>4 433 747</b>	<b>49 864 346</b>	<b>-</b>	<b>-</b>	<b>49 864 346</b>	<b>78 779 645</b>	<b>57.99%</b>
<b>NET ASSETS</b>									
Accumulated Surplus/(Deficit)		103 769 483	(3 124 705)	100 644 778	-	-	100 644 778	27 424 460	-72.75%
Reserves		28 152 737	-	28 152 737	-	-	28 152 737	27 986 997	-0.59%
<b>TOTAL NET ASSETS</b>	<b>46.2.4</b>	<b>131 922 220</b>	<b>(3 124 705)</b>	<b>128 797 515</b>	<b>-</b>	<b>-</b>	<b>128 797 515</b>	<b>55 411 457</b>	<b>-56.98%</b>

# APPENDICES

KHAI-MA MUNICIPALITY									
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS									
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019									
	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	2019 R	%
<b>REVENUE</b>									
Property Rates		5 065 730	204 369	5 270 099	-	-	5 270 099	5 310 563	0.77%
Service Charges - Electricity Revenue		9 015 640	(476 000)	8 539 640	-	-	8 539 640	8 304 776	-2.75%
Service Charges - Water Revenue		6 584 080	(267 167)	6 316 913	-	-	6 316 913	1 778 357	-71.85%
Service Charges - Sanitation Revenue		1 043 215	265 678	1 308 893	-	-	1 308 893	1 380 944	5.50%
Service Charges - Refuse Revenue		1 090 620	100 000	1 190 620	-	-	1 190 620	1 210 268	1.65%
Rental of Facilities and Equipment		186 700	-	186 700	-	-	186 700	231 876	24.20%
Interest Earned - External Investments		200 000	-	200 000	-	-	200 000	293 490	46.75%
Interest Earned - Outstanding Debtors		1 996 446	1 680 000	3 676 446	-	-	3 676 446	3 764 290	2.39%
Dividends Received		-	-	-	-	-	-	-	-
Fines		42 120	35 000	77 120	-	-	77 120	68 125	-11.66%
Licences and Permits		71 820	10 300	82 120	-	-	82 120	41 239	-49.78%
Agency Services		179 010	-	179 010	-	-	179 010	174 197	-2.69%
Transfers Recognised - Operational		22 103 913	(1 000 000)	21 103 913	-	-	21 103 913	22 124 637	4.84%
Other Revenue		26 561	3 000	29 561	-	-	29 561	7 218 257	24318.17%
Gains on Disposal of PPE		-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>46.2.5</b>	<b>47 605 855</b>	<b>555 180</b>	<b>48 161 035</b>	<b>-</b>	<b>-</b>	<b>48 161 035</b>	<b>51 901 019</b>	<b>7.77%</b>
<b>EXPENDITURE</b>									
Employee Related Costs		28 124 979	(1 131 346)	26 993 633	-	-	26 993 633	21 030 355	-22.09%
Remuneration of Councillors		3 240 594	(218 004)	3 022 590	-	-	3 022 590	2 593 917	-14.18%
Debt Impairment		4 996 486	-	4 996 486	-	-	4 996 486	7 849 756	57.11%
Depreciation and Asset Impairment		3 008 135	862 458	3 870 593	-	-	3 870 593	7 428 546	91.92%
Finance Charges		1 532 776	600 000	2 132 776	-	-	2 132 776	3 858 021	80.89%
Bulk Purchases		13 258 400	400 000	13 658 400	-	-	13 658 400	10 210 900	-25.24%
Other Materials		5 271 461	(2 351 052)	2 920 409	-	-	2 920 409	1 561 616	-46.53%
Contracted Services		4 252 032	645 604	4 897 636	-	-	4 897 636	3 302 677	-32.57%
Transfers and Grants		-	-	-	-	-	-	-	-
Other Expenditure		5 399 762	2 399 621	7 799 383	-	-	7 799 383	10 390 221	33.22%
Loss on Disposal of PPE		-	-	-	-	-	-	75 562	-
<b>Total Expenditure</b>	<b>46.2.6</b>	<b>69 084 625</b>	<b>1 207 281</b>	<b>70 291 906</b>	<b>-</b>	<b>-</b>	<b>70 291 906</b>	<b>68 301 572</b>	<b>-2.83%</b>
<b>Surplus/(Deficit)</b>		<b>(21 478 770)</b>	<b>(652 101)</b>	<b>(22 130 871)</b>	<b>-</b>	<b>-</b>	<b>(22 130 871)</b>	<b>(16 400 553)</b>	<b>-25.89%</b>
Transfers Recognised - Capital		27 356 087	7 527 396	34 883 483	-	-	34 883 483	12 862 121	-63.13%
Contributions Recognised - Capital		-	-	-	-	-	-	-	-
Contributed Assets		-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after Capital Transfers &amp; Contributions</b>		<b>5 877 317</b>	<b>6 875 295</b>	<b>12 752 612</b>	<b>-</b>	<b>-</b>	<b>12 752 612</b>	<b>(3 538 432)</b>	<b>-127.75%</b>
Taxation		-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after Taxation</b>		<b>5 877 317</b>	<b>6 875 295</b>	<b>12 752 612</b>	<b>-</b>	<b>-</b>	<b>12 752 612</b>	<b>(3 538 432)</b>	<b>-127.75%</b>
Attributable to Minorities		-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) Attributable to Municipality</b>		<b>5 877 317</b>	<b>6 875 295</b>	<b>12 752 612</b>	<b>-</b>	<b>-</b>	<b>12 752 612</b>	<b>(3 538 432)</b>	<b>-127.75%</b>
Share of Surplus/(Deficit) of Associate		-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>5 877 317</b>	<b>6 875 295</b>	<b>12 752 612</b>	<b>-</b>	<b>-</b>	<b>12 752 612</b>	<b>(3 538 432)</b>	<b>-127.75%</b>

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KHAI-MA MUNICIPALITY									
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS									
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2019									
	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome 2019	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	R	%
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Taxation		4 503 896	(287 817)	4 216 079	-	-	4 216 079	5 537 799	31.35%
Service Charges		13 549 347	(2 723 182)	10 826 165	-	-	10 826 165	12 852 078	18.71%
Other Revenue		462 159	(242 558)	219 601	-	-	219 601	2 754 179	1154.17%
Government - Operating		22 103 913	-	22 103 913	-	-	22 103 913	18 873 783	-14.61%
Government - Capital		27 356 087	6 527 396	33 883 483	-	-	33 883 483	14 362 000	-57.61%
Interest		1 725 391	767 860	2 493 251	-	-	2 493 251	293 490	-88.23%
Dividends		-	-	-	-	-	-	-	-
<b>Payments</b>									
Suppliers and Employees		(43 204 699)	2 129 799	(41 074 900)	-	-	(41 074 900)	(38 866 123)	-5.38%
Finance costs		-	-	-	-	-	-	(1 870 454)	-100.00%
Transfers and Grants		-	-	-	-	-	-	-	-
<b>Net Cash from/(used) Operating Activities</b>	<b>46.2.7</b>	<b>26 496 094</b>	<b>6 171 498</b>	<b>32 667 592</b>	<b>-</b>	<b>-</b>	<b>32 667 592</b>	<b>13 936 752</b>	<b>-57.34%</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-
Decrease/(Increase) in Non-Current Debtors		-	-	-	-	-	-	-	-
Decrease/(Increase) in Other Non-Current Receivables		-	-	-	-	-	-	-	-
Decrease/(Increase) in Non-Current Investments		-	-	-	-	-	-	-	-
<b>Payments</b>									
Capital Assets		(27 506 087)	(6 577 899)	(34 083 986)	-	-	(34 083 986)	(13 669 224)	-59.90%
<b>Net Cash from/(used) Investing Activities</b>	<b>46.2.8</b>	<b>(27 506 087)</b>	<b>(6 577 899)</b>	<b>(34 083 986)</b>	<b>-</b>	<b>-</b>	<b>(34 083 986)</b>	<b>(13 669 224)</b>	<b>-59.90%</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short Term Loans		-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-
Increase/(Decrease) in Consumer Deposits		5 205	(1)	5 204	-	-	5 204	21 941	321.62%
<b>Payments</b>									
Repayment of Borrowing		(28 688)	-	(28 688)	-	-	(28 688)	(28 688)	0.00%
<b>Net Cash from/(used) Financing Activities</b>	<b>46.2.9</b>	<b>(23 483)</b>	<b>(1)</b>	<b>(23 484)</b>	<b>-</b>	<b>-</b>	<b>(23 484)</b>	<b>(6 748)</b>	<b>-71.27%</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>									
Cash and Cash Equivalents at the year begin:		(1 033 476)	(406 402)	(1 439 878)	-	-	(1 439 878)	260 780	-118.11%
		2 256 639	3	2 256 642	-	-	2 256 642	933 210	-58.65%
Cash and Cash Equivalents at the year end:		1 223 163	(406 399)	816 764	-	-	816 764	1 193 989	46.19%

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## **1. ACCOUNTING PRINCIPLES AND POLICIES APPLIED IN THE FINANCIAL STATEMENTS**

### **1.1. BASIS OF PREPARATION**

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

The annual financial statements have been prepared in accordance with the Finance Management Act (MFMA) and effective Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations and directives issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, have been developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 (Revised – March 2015) and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

A summary of the significant accounting policies, which have been consistently applied except where an exemption or transitional provision has been granted, are disclosed below.

Assets, liabilities, revenue and expenses have not been offset except when offsetting is permitted or required by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant notes to the annual financial statements.

In terms of Directive 7: "The Application of Deemed Cost on the Adoption of Standards of GRAP" issued by the Accounting Standards Board, the Municipality applied deemed cost to Property, Plant and Equipment, Investment Property and Intangible Assets where the acquisition cost of an asset could not be determined.

### **1.2. PRESENTATION CURRENCY**

Amounts reflected in the financial statements are in South African Rand and at actual values. Financial values are rounded to the nearest one Rand. No foreign exchange transactions are included in the statements.

### **1.3. GOING CONCERN ASSUMPTION**

These annual financial statements have been prepared on a going concern basis.

### **1.4. COMPARATIVE INFORMATION**

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When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

The Municipal Regulations on Standard Chart of Accounts (mSCOA) came into effect on 1 July 2017. The mSCOA Charts are updated annually by National Treasury. The municipality has realigned items in the financial statements with the Item Segment of mSCOA Version 6.2, on which the municipality was required to transacted for periods after 1 July 2018. The result of this process was a reclassification and naming of items in the annual financial statements. The reclassification of 2018 audited amounts are set out in note 41 of the annual financial statements.

## **1.5. AMENDED DISCLOSURE POLICY**

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements. The principal amendments to matters disclosed in the current financial statements include errors.

## **1.6. MATERIALITY**

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decision or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatements judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor. Materiality is determined as 1% of total operating expenditure. This materiality is from management's perspective and does not correlate with the auditor's materiality.

## **1.7. PRESENTATION OF BUDGET INFORMATION**

The presentation of budget information is prepared in accordance with GRAP 24 and guidelines issued by National Treasury. The comparison of budget and actual amounts are disclosed as separate additional financial statements, namely Statements of comparison of budget and actual amounts.

Budget information is presented on the accrual basis and is based on the same period as the actual amounts. The budget information is therefore on a comparable basis to the actual amounts.

The comparable information includes the following:

- the approved and final budget amounts;
- actual amounts and final budget amounts;

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Explanations for differences between the approved and final budget are included in the Notes to the Financial Statements.

Explanations for material differences between the final budget amounts and actual amounts are included the notes to the annual financial statements.

The disclosure of comparative information in respect of the previous period is not required in terms of GRAP 24.

## 1.8. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

GRAP 18 Segment Reporting is effective from 1 April 2015. The implementation of GRAP 18 is delayed, in terms of Directive 5, for municipalities for the 2018/19 financial year and municipalities are not required to apply or early adopt GRAP 18. The implementation date of GRAP 18 is 1 April 2020.

The following GRAP standards and Interpretations of the Standards of GRAP have been issued but are not yet effective and have not been early adopted by the municipality:

REFERENCE	TOPIC	EFFECTIVE DATE
<b>GRAP 20 (Original – Jun 2011)</b>	<p><b><u>Related Party Disclosure</u></b></p> <p>The objective of this Standard is to ensure that a Municipality's financial statements contains the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.</p> <p>The Municipality resolved to adopt some of the disclosure requirements as per GRAP 20. The information is therefore included in the financial statements.</p>	1 April 2019
<b>GRAP 32 (Original – Aug 2013)</b>	<p><b><u>Service Concession Arrangements: Grantor</u></b></p> <p>The objective of this Standard is to prescribe the accounting for service concession arrangements by the grantor and a public entity.</p> <p>No significant impact expected as any such transactions or events are expected in the foreseeable future.</p>	1 April 2019
<b>GRAP 34 (Revised – April 2019)</b>	<p><b><u>Separate Financial Statements</u></b></p> <p>The objective of this Standards is to prescribe the accounting and disclosure requirements in controlled entities, joint ventures and associates when an entity prepares separate financial statements.</p> <p>No significant impact expected as no such transactions or</p>	Unknown

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	events are expected in the foreseeable future.	
<b>GRAP 35 (Revised – April 2019)</b>	<p><b><u>Consolidated Financial Statements</u></b></p> <p>The objective of this Standard is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.</p> <p>No significant impact expected as no such transactions or events are expected in the foreseeable future.</p>	Unknown
<b>GRAP 36 (Revised – April 2019)</b>	<p><b><u>Investments in Associates and Joint Ventures</u></b></p> <p>The objective of this Standard is to prescribe the accounting for investments in associates and joint ventures and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.</p> <p>No significant impact expected as no such transactions or events are expected in the foreseeable future.</p>	Unknown
<b>GRAP 37 (Revised – April 2019)</b>	<p><b><u>Joint Arrangements</u></b></p> <p>The objective of this Standard is to establish principles for financial reporting by entities that have an interest in arrangements that are controlled jointly (i.e. joint arrangements)</p> <p>No significant impact expected as no such transactions or events are expected in the foreseeable future.</p>	Unknown
<b>GRAP 38 (Revised - April 2019)</b>	<p><b><u>Disclosure of Interest in Other Entities</u></b></p> <p>The objective of this Standard is to require an entity to disclose information that enables users of its financial statements to evaluate:</p> <p>a) the nature of, and risks associated with, its interest in controlled entities unconsolidated controlled entities, joint arrangements and associates, and structure entities that are not consolidated; and</p> <p>b) the effects of those interests on its financial position, financial performance and cash flows.</p> <p>No significant impact expected as no such transactions or events are expected in the foreseeable future.</p>	Unknown
<b>GRAP 104 (Revised – April 2019)</b>	<p><b><u>Financial Instruments</u></b></p> <p>The objective of this Standard is to establish principles for recognising, measuring, presenting and disclosing financial instruments.</p> <p>The Municipality might need to revise the categories of financial instruments and the impairment model.</p>	Unknown

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<b>GRAP 108</b> <b>(Original – Sept 2013)</b>	<p><b><u>Statutory Receivables</u></b></p> <p>The objective of this Standard is to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.</p> <p>The Municipality has resolved to adopt the principles as set out in GRAP 108 to formulate its own accounting policy.</p>	1 April 2019
<b>GRAP 109</b>	<p><b><u>Accounting by Principles and Agents</u></b></p> <p>The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement.</p> <p>No significant impact is expected as the Municipality's current treatment is already in line with the Standards treatment.</p>	1 April 2019
<b>GRAP 110</b>	<p><b><u>Living and non-living resources</u></b></p> <p>The objective of this Standard is prescribing the recognition, measurement, presentation and disclosure requirements for living resources; and disclosure requirements for non-living resources.</p> <p>No significant impact expected as any such transactions or events are expected in the foreseeable future.</p>	1 April 2020
<b>IGRAP 17</b>	<p><b><u>Service Concession Arrangements where a grantor controls a significant residual interest in an Asset</u></b></p> <p>The Interpretation of the Standards is to provide guidance to the grantor where it has entered into a service concession arrangement, but only controls, through a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease.</p> <p>No such transactions or events are expected in the foreseeable future.</p>	1 April 2019
<b>IGRAP 18</b>	<p><b><u>Recognition and Derecognition of Land</u></b></p> <p>The Interpretation provide guidance on when an entity should recognise and derecognise land as an asset in its financial statements.</p> <p>The municipality needs to assess whether there are any changes to binding agreements that may impact its assessment of control.</p>	1 April 2019
<b>IGRAP 19</b>	<p><b><u>Liabilities to Pay Levies</u></b></p> <p>The Interpretation provides guidance on the accounting for</p>	1 April 2019



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	<p>levies in the financial statements of the entity that is paying the levy. It clarifies when entities need to recognise a liability to pay a levy that is accounted for in accordance with GRAP 19.</p> <p>No such transactions or events are expected in the foreseeable future.</p>	
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These standards, amendments and interpretations will not have a significant impact on the Municipality once implemented.

## 1.9. HOUSING DEVELOPMENT FUND

The Housing Development Fund was established in terms of the Housing Act, (Act No 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the Municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund.

Housing selling schemes both complete and in progress as at 1 April 1998 were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

## 1.10. RESERVES

### 1.10.1. *Capital Replacement Reserve (CRR)*

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, funds are transferred from the accumulated surplus / (deficit) to the CRR. The cash funds in the CRR can only be utilized for the purpose of purchasing/ construction of items of property, plant and equipment and may not be used for the maintenance of these items. The CRR is reduced and the accumulated surplus / (Deficit) are credited by a corresponding amount when the amounts in the CRR are utilized.

### 1.10.2. *Revaluation Reserve*

The accounting for the Revaluation Reserve must be performed in accordance with the requirements of GRAP 17.

All increases in the carrying value of assets as a result of a revaluation are credited against the reserve, except to the extent that the increase reverses a revaluation decrease of the same asset previously recognised in the Statement of Financial Performance.

All decreases in the carrying value of assets as a result of a revaluation are debited against the reserve to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

The revaluation reserve is realized as revaluated assets are depreciated, through a transfer from the Revaluation Reserve to the accumulated surplus / (deficit). On disposal, the net revaluation surplus is transferred to the accumulated surplus / (deficit) while gains or losses on disposal, based on revaluated amounts, are charged to the Statement of Financial Performance.

## **1.11. LEASES**

### **1.11.1. Municipality as Lessee**

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment or intangible assets (excluding licensing agreements for such items as motion picture films, video recordings, plays, manuscripts, patents and copyrights) subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the Municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment, investment property or intangibles assets. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to de-recognition of financial instruments are applied to lease payables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined expenses and actual payments made will give rise to a liability. The Municipality recognises the aggregate benefit of incentives as a reduction of rental expense over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

### **1.11.2. Municipality as Lessor**

Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate

implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease. The difference between the straight-lined revenue and actual payments received will give rise to an asset. The Municipality shall recognise the aggregate cost of incentives as a reduction of rental revenue over the lease term, on a straight-line basis unless another systematic basis is representative of the time pattern over which the benefit of the leases asset is diminished.

## **1.12. BORROWING COST**

The Municipality recognises all borrowing costs as an expense in the period in which they are incurred.

## **1.13. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS**

Conditional government grants are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from the public.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the liability. If it is the Municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

## **1.14. UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS**

Unpaid conditional grants are assets in terms of the Framework that are separately disclosed in the Statement of Financial Position. The asset is recognised when the Municipality has an enforceable right to receive the grant or if it is virtually certain that it will be received based on that grant conditions have been met. They represent unpaid government grants, subsidies and contributions from public.

The following provisions are set for the creation and utilisation of grant receivables:

- Unpaid conditional grants are recognised as an asset when the grant is receivable.

## 1.15. UNSPENT PUBLIC CONTRIBUTIONS

Public contributions are subject to specific conditions. If these specific conditions are not met, the monies received are repayable.

Unspent public contributions are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent contributions from the public.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent public contributions are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested as individual investment or part of the general investments of the municipality until it is utilised.
- Interest earned on the investment is treated in accordance with the public contribution conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

## 1.16. PROVISIONS

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resource embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate of future outflows of resources. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where an inflow of economic benefits or service potential is probable.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

- (a) The municipality has a detailed formal plan for the restructuring identifying at least:
- the business or part of a business concerned;
  - the principal locations affected;
  - the location, function and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented.
- (b) The Municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date.

If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision is derecognised.

## 1.17. EMPLOYEE BENEFITS

### **(a) *Post-Retirement Medical Obligations***

The Municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 60% as contribution and the remaining 40% are paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined in accordance with GRAP 25 – Employee benefits (using a discount rate applicable to high quality government bonds). The plan is unfunded.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The interest cost of the defined benefit obligation is recognised as finance cost in the Statement of Financial Performance, as it meets the definition of Interest Cost in GRAP 25. The liability was calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation. Payments made by the Municipality are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial

Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

**(b) Long Service Awards**

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the Municipality. The Municipality's obligation under these plans is valued by independent qualified actuaries periodically and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as finance cost upon valuation, as it meets the definition of Interest Cost in GRAP 25. Defined benefit plans are post-employment plans other than defined contribution plans.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

**(c) Staff Leave**

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year end and also on the total remuneration package of the employee.

Accumulated leave is carried forward and can be used in future periods if the current period's entitlement is not used in full. All unused leave will be paid out to the specific employee at the end of that employee's employment term.

Accumulated leave is vesting.

**(d) Staff Bonuses**

Liabilities for staff bonuses are recognised as they accrue to employees. The liability at year end is based on bonus accrued at year end for each employee.

**(e) Other Short-term Employee Benefits**

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and



- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

## **1.18. PROPERTY, PLANT AND EQUIPMENT**

### **1.18.1. Initial Recognition**

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the entity, and the cost or fair value of the item can be measured reliably. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the assets acquired is initially measure at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

Where an asset is acquired through a non-exchange transaction, any transaction cost incurred are recognised as part of the cost of the asset.

### **1.18.2. Subsequent Measurement – Revaluation Model (Land and Buildings)**

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Subsequent to initial recognition, Land and Buildings are carried at a re-valued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and any accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Statement of Financial Performance.

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in the Statement of Financial Performance, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

## **1.18.3. Subsequent Measurement – Cost Model**

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the Municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

## **1.18.4. Depreciation and Impairment**

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated useful lives:

<b><u>Land and Buildings</u></b>	<b><u>Years</u></b>
Land	Indefinite
Buildings	10-50
<b><u>Infrastructure</u></b>	
Roads and Streets	3-50
Electricity Mains	12-50
Water Mains and Purification	4-60
Sewerage Mains & Purification	15-60
Security measures	14-20



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## **Community**

Recreation Grounds	7-30
Fire, Safety and Emergency	4-10
Libraries	30
Clinics and Hospitals	10-50

## **Finance lease assets**

Office equipment	3
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## **Other**

Motor Vehicles	2-15
Office equipment	2-10
Furniture and fittings	2-32
Bins and containers	7
Plant and Equipment	1-30
Landfill sites	1-20
Emergency equipment	2-4
Computer equipment	2-7

Changes to the useful life of assets are reviewed if there is an indication that a change may have occurred in the estimated useful life. If the expectation differ from the previous estimates, the change is accounted for in accordance with GRAP 3 either prospectively as a change in the accounting policy or retrospectively as a prior period error depending on the specific circumstances.

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the Statement of Financial Performance.

### ***1.18.5. De-recognition***

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

## **1.18.6. Land and Buildings and Other Assets – application of deemed cost (Directive 7)**

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Land and Buildings, the fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2008. For Other Assets the depreciation cost method was used to establish the deemed cost as on 1 July 2008.

## **1.19. INTANGIBLE ASSETS**

### **1.19.1. Initial Recognition**

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset meets the identifiability criterion in the definition of an intangible asset when it:

- is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

The Municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the Municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project;
- it is probable that the municipality will receive future economic benefits or service potential; and
- the Municipality can measure reliably the expenditure attributable to the intangible asset during its development.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value

# APPENDICES

was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

## **1.19.2. Subsequent Measurement – Cost Model**

Intangible assets are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

## **1.19.3. Amortisation and Impairment**

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual amortisation rates are based on the following estimated useful lives:

<u>Intangible Assets</u>	<u>Years</u>
Computer Software	3-12

Changes to the useful life of assets are reviewed if there is an indication that a change may have occurred in the estimated useful life. If the expectation differ from the previous estimates, the change is accounted for in accordance with GRAP 3 either prospectively as a change in the accounting policy or retrospectively as a prior period error depending on the specific circumstances.

## **1.19.4. De-recognition**

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

## **1.19.5. Application of deemed cost (Directive 7)**

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. For Intangible Assets the depreciation cost method was used to establish the deemed cost as on 1 July 2008.

## **1.20. INVESTMENT PROPERTY**

## **1.20.1. Initial Recognition**

Investment property shall be recognised as an asset when and only when:

- it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and
- the cost or fair value of the investment property can be measured reliably.

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations. Property with a currently undetermined use is also classified as investment property.

At initial recognition, the Municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition. The cost of self-constructed investment property is measured at cost.

Where an asset is acquired through a non-exchange transaction, any transaction cost incurred are recognised as part of the cost of the asset.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

## **1.20.2. Subsequent Measurement – Cost Model**

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and accumulated impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

## **1.20.3. Depreciation and Impairment – Cost Model**

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

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## **Investment Property**

## **Years**

Buildings

10-50

Changes to the useful life of assets are reviewed if there is an indication that a change may have occurred in the estimated useful life. If the expectation differ from the previous estimates, the change is accounted for in accordance with GRAP 3 either prospectively as a change in the accounting policy or retrospectively as a prior period error depending on the specific circumstances.

### **1.20.4. De-recognition**

Investment property is derecognised when it is disposed or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

### **1.20.5. Application of deemed cost (Directive 7)**

The Municipality opted to take advantage of the transitional provisions as contained in Directive 7 of the Accounting Standards Board, issued in December 2009. The Municipality applied deemed cost where the acquisition cost of an asset could not be determined. The fair value as determined by a valuator was used in order to determine the deemed cost as on 1 July 2008.

## **1.21. IMPAIRMENT OF NON-FINANCIAL ASSETS**

### **1.21.1. Cash generating assets**

Cash-generating assets are assets held with the primary objective of generating a commercial return.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the municipality estimates the asset's recoverable amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

#### **(a) External sources of information**

- During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use;
- Significant changes with an adverse effect on the Municipality have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Municipality operates or in the market to which an asset is dedicated;

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- Market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially.

(b) Internal sources of information

- Evidence is available of obsolescence or physical damage of an asset;
- Significant changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite;
- Evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

The re-designation of assets from a cash-generating asset to a non-cash generating asset or from a non-cash-generating asset to a cash-generating asset shall only occur when there is clear evidence that such a re-designation is appropriate. A re-designation, by itself, does not necessarily trigger an impairment test or a reversal of an impairment loss. Instead, the indication for an impairment test or a reversal of an impairment loss arises from, as a minimum, the indications listed above.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Municipality estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The



reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Financial Performance.

## **1.21.2. Non-cash-generating assets**

Non-cash-generating assets are assets other than cash-generating assets.

The Municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Municipality estimates the asset's recoverable service amount.

In assessing whether there is any indication that an asset may be impaired, the Municipality considers the following indications:

### **(a) External sources of information**

- Cessation, or near cessation, of the demand or need for services provided by the asset;
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the Municipality operates.

### **(b) Internal sources of information**

- Evidence is available of physical damage of an asset;
- Significant long-term changes with an adverse effect on the Municipality have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, or plans to dispose of an asset before the previously expected date;
- A decision to halt the construction of the asset before it is complete or in a usable condition;
- Evidence is available from internal reporting that indicates that the service performance of an asset is, or will be, significantly worse than expected.

An asset's recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss recorded in the Statement of Financial Performance.

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The value in use of a non-cash-generating asset is the present value of the asset's remaining service potential. The present value of the remaining service potential of the asset is determined using any one of the following approaches:

- *depreciation replacement cost approach* - the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.
- *restoration cost approach* - the cost of restoring the service potential of an asset to its pre-impaired level. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is usually determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.
- *service unit approach* - the present value of the remaining service potential of the asset is determined by reducing the current cost of the remaining service potential of the asset before impairment, to conform to the reduced number of service units expected from the asset in its impaired state. As in the restoration cost approach, the current cost of replacing the remaining service potential of the asset before impairment is usually determined as the depreciated reproduction or replacement cost of the asset before impairment, whichever is lower.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

An impairment loss is recognised immediately in surplus or deficit, unless the asset is carried at a revalued amount in accordance with another Standard of GRAP. Any impairment loss of a revalued asset shall be treated as a revaluation decrease in accordance with that Standard of GRAP.

The Municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Municipality estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for an asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset is increased to its recoverable service amount. The



increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods. Such a reversal of an impairment loss is recognised in the Statement of Financial Performance.

## **1.22. NON-CURRENT INVESTMENTS**

Financial instruments, which include, investments in municipal entities and fixed deposits invested in registered commercial banks, are stated at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

## **1.23. INVENTORIES**

### ***1.23.1. Initial Recognition***

Inventories comprise of current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Municipality, and the cost of the inventories can be measured reliably. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Water inventory is being measured by multiplying the cost per kilo litre of purified water by the amount of water in storage.

Where inventory is acquired by the Municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

### ***1.23.2. Subsequent Measurement***

Inventories, consisting of consumable stores, materials and supplies and water are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and

current replacement cost. Redundant and slow-moving inventories are identified and written down. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the weighted average method.

Water inventory is measured annually at the reporting date by way of dip readings.

## **1.24. FINANCIAL INSTRUMENTS**

Financial instruments recognised on the Statement of Financial Position include receivables (both from exchange transactions and non-exchange transactions), cash and cash equivalents, annuity loans and payables (both from exchange and non-exchange transactions). The future utilization of Unspent Conditional Grants is evaluated in order to determine whether it is treated as financial instruments.

### **1.24.1. Initial Recognition**

Financial instruments are initially recognised when the Municipality becomes a party to the contractual provisions of the instrument at fair value plus, in the case of a financial asset or financial liability not at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. If finance charges in respect of financial assets and financial liabilities are significantly different from similar charges usually obtained in an open market transaction, adjusted for the specific risks of the Municipality, such differences are immediately recognised in the period it occurs, and the unamortised portion adjusted over the period of the loan transactions.

### **1.24.2. Subsequent Measurement**

Financial Assets are categorised according to their nature as either financial assets at fair value, financial assets at amortised cost or financial assets at cost. Financial Liabilities are categorised as either at fair value, financial liabilities at cost or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation.

#### **1.24.2.1. Receivables**

Receivables are classified as financial assets at amortised cost and are subsequently measured amortised cost using the effective interest rate method.

For amounts due from debtors carried at amortised cost, the Municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the Statement of Financial Performance.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate, if material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

#### **1.24.2.2. *Payables and Annuity Loans***

Financial liabilities consist of trade and other payables and annuity loans. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

#### **1.24.2.3. *Cash and Cash Equivalents***

Cash includes cash on hand (including petty cash) and cash with banks. Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits and net of bank overdrafts. The Municipality

categorises cash and cash equivalents as financial assets carried at amortised cost.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

#### **1.24.2.4. *Non-Current Investments***

Investments which include fixed deposits invested in registered commercial banks, are stated at amortised cost.

Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is recognised in the Statement of Financial Performance.

The carrying amounts of such investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments.

#### **1.24.3. *De-recognition***

##### **1.24.3.1. *Financial Assets***

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Municipality has transferred substantially all the risks and rewards of the asset, or (b) the Municipality has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the old asset is derecognised and a new asset is recognised to the extent of the Municipality's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Municipality could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the Municipality's continuing involvement is the amount of the transferred asset that the Municipality may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the Municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

#### **1.24.3.2. *Financial Liabilities***

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

#### **1.24.4. *Offsetting of Financial Instruments***

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### **1.25. STATUTORY RECEIVABLES**

Statutory receivables arise from legislation, supporting regulations, or similar means and require settlement by another entity in cash or another financial asset. Statutory receivables can arise from both exchange and non-exchange transactions.

#### **1.25.1. *Initial Recognition***

Statutory receivables are recognised when the related revenue is recognised or when the receivable meets the definition of an asset.

#### **1.25.2. *Subsequent Measurement***

The Municipality initially measures the statutory receivables at their transaction amount. The Municipality measure statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to reflect any:

- (a) interest or other charges that may have accrued on the receivable;
- (b) impairment losses; and
- (c) amounts derecognised.

The Municipality assesses at each reporting date whether there is any indication that a statutory receivable may be impaired. If there is an indication that a statutory receivable may be impaired, the Municipality measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable is reduced, through the use of an allowance account. The amount of the loss is recognised in the Statement of Financial Performance. In estimating the future cash flows, the Municipality considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the Municipality discounts the estimated future cash flows using a rate that reflects the current risk-free rate and any risks specific to the statutory receivable for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows. Any previously recognised impairment loss is adjusted by adjusting the allowance account. The amount of any adjustment is recognised in the Statement of Financial Performance.

### **1.25.3. Derecognition**

The Municipality derecognises a statutory receivable when:

- (a) the rights to the cash flows from the receivable are settled, expire or are waived;
- (b) the Municipality transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- (c) the Municipality, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the Municipality:
  - i. derecognise the receivable; and
  - ii. recognise separately any rights and obligations created or retained in the transfer.

## **1.26. REVENUE**

### **1.26.1. Revenue from Non-Exchange Transactions**

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving



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approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. At the time of initial recognition the full amount of revenue is recognised. If the Municipality does not enforce its obligation to collect the revenue, this would be considered as a subsequent event. Collection charges are recognised when such amounts are legally enforceable. Rebates and discounts are offset against the related revenue, in terms of IGRAP 1, as there is no intention of collecting this revenue.

Fine Revenue constitutes both spot fines and summonses. Fine revenue is recognised when the spot fine or summons is issued. In cases where fines and summonses are issued by another government institute, revenue will only be recognised by the Municipality when the receivable meets the definition of an asset.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the Municipality. Where public contributions have been received but the Municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the Municipality.

All unclaimed deposits are initially recognised as a liability until 12 months expires, when all unclaimed deposits into the Municipality's bank account will be treated as revenue as historical patterns have indicated that minimal unidentified deposits are reclaimed after a period of twelve months. This assessment is performed annually at 30 June. Therefore, the substance of these transactions indicates that even though the prescription period for unclaimed monies is legally three years, it is reasonable to recognise all unclaimed monies older than twelve months as revenue. Although unclaimed deposits are recognised as revenue after 12 months, the Municipality still

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keep record of these unclaimed deposits for three years in the event that a party should submit a claim after 12 months.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue shall be measured at the fair value of the consideration received or receivable.

When, as a result of a non-exchange transaction, a Municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the present obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability will be recognised as revenue.

Services in-kind that are significant to the Municipality's operations are recognised as assets and the related revenue when:

- it is probable that the future economic benefits or service potential will flow to the Municipality; and
- the fair value of the assets can be measured reliably.

If the services in-kind are not significant to the Municipality's operations or does not satisfy the above-mentioned criteria, the Municipality only disclose the nature and type of services in-kind received during the reporting period. When the criteria for recognition is satisfied, services in-kind are measured on initial recognition at their fair value as at the date of acquisition. Services in-kind include services provided by individuals to the Municipality and the right to use assets in a non-exchange transaction. These services meet the definition of an asset, because the Municipality controls the resource from which future economic benefits or service potential is expected to flow to the Municipality. The assets are immediately consumed and a transaction of equal value is also recognised to reflect the consumption of these services in-kind, resulting in a decrease of the asset and an increase in an expense. The Municipality therefore recognises an expense and related revenue for the consumption of services in-kind.

## **1.26.2. Revenue from Exchange Transactions**

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered or goods sold, the value of which approximates the consideration received or receivable.



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Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The Municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- The Municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transaction will flow to the Municipality;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

At the time of initial recognition, the full amount of revenue is recognised where the Municipality has an enforceable legal obligation to collect, unless the individual collectability is considered to be improbable. If the Municipality does not successfully enforce its obligation to collect the revenue this would be considered a subsequent event.

Service charges relating to electricity and water are based on consumption and a basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale. It is estimated that pre-paid electricity is consumed within 5 to 10 days after date of purchase. The pre-paid electricity sold, but not consumed yet at year-end is disclosed as under Payables from Exchange Transactions in the Statement of Financial Position.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage and are levied monthly based on the recorded number of refuse points per property.

Service charges relating to sanitation (sewerage) are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage. In the case of residential property, a fixed monthly tariff is levied and in the case of commercial property a tariff is levied based on the number of sewerage connection on the property. Service charges based on a basic charge as per Council resolution.

Interest revenue is recognised using the effective interest rate method.

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Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

Revenue is measured at the fair value of the consideration received or receivable.

The amount of revenue arising on a transaction is usually determined by agreement between the entity and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity.

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

- The prevailing rate for a similar instrument of an issuer with a similar credit rating; or
- A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

## 1.27. TRANSFER OF FUNCTIONS (Municipality as acquirer)

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A function is an integrated set of activities that is capable of being conducted and managed for purposes of achieving a Municipality's objectives, either by providing economic benefits or service potential.

A transfer of functions is the reorganisation and/or the re-allocation of functions between Municipalities by transferring functions between Municipalities or into another entity.

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the Municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the Municipality or from other rights and obligations.

The Municipality accounts for each transfer of functions between entities not under common control by applying the acquisition method. Applying the acquisition method requires:

- (a) identifying the acquirer (Municipality);
- (b) determining the acquisition date;
- (c) recognising and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree; and
- (d) recognising the difference between (c) and the consideration transferred to the seller.

As of the acquisition date, the Municipality recognises the identifiable assets acquired and the liabilities assumed. The identifiable assets acquired and liabilities assumed meets the definitions of assets and liabilities in the *Framework for the Preparation and Presentation of Financial Statements* and the recognition criteria in the applicable Standards of GRAP at the acquisition date. In addition, the identifiable assets acquired and liabilities assumed are part of what the Municipality and the acquiree (or its former owners) agreed in the binding arrangement.

The Municipality measures the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values.

The Municipality subsequently measures and account for assets acquired and liabilities assumed in accordance with other applicable Standards of GRAP.

## 1.28. RELATED PARTIES

The Municipality resolved to adopt the disclosure requirements as per GRAP 20 – “Related Party Disclosures”.

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A related party is a person or an entity:

- with the ability to control or jointly control the other party,
- or exercise significant influence over the other party, or vice versa,
- or an entity that is subject to common control, or joint control.

The following are regarded as related parties of the Municipality:

- (a) A person or a close member of that person's family is related to the Municipality if that person:
- has control or joint control over the Municipality.
  - has significant influence over the Municipalities. Significant influence is the power to participate in the financial and operating policy decisions of the Municipality.
  - is a member of the management of the Municipality or its controlling entity.
- (b) An entity is related to the Municipality if any of the following conditions apply:
- the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others).
  - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member).
  - both entities are joint ventures of the same third party.
  - one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - the entity is a post-employment benefit plan for the benefit of employees of either the Municipality or an entity related to the Municipality. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity.
  - the entity is controlled or jointly controlled by a person identified in (a).
  - a person identified in (a) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

Close members of the family of a person are those family members who may be expected to influence or be influenced by that person in their dealings with the Municipality. A person is considered to be a close member of the family of another person if they:

- (a) are married or live together in a relationship similar to a marriage; or
- (b) are separated by no more than two degrees of natural or legal consanguinity or affinity.

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Management (formerly known as “Key Management”) includes all persons having the authority and responsibility for planning, directing and controlling the activities of the Municipality, including:

- (a) all members of the governing body of the Municipality;
- (b) a member of the governing body of an economic entity who has the authority and responsibility for planning, directing and controlling the activities of the Municipality;
- (c) any key advisors of a member, or sub-committees, of the governing body who has the authority and responsibility for planning, directing and controlling the activities of the Municipality; and
- (d) the senior management team of the Municipality, including the chief executive officer or permanent head of the Municipality, unless already included in (a).

Management personnel include:

- (a) All directors or members of the governing body of the Municipality, being the Executive Mayor, Deputy Mayor, Speaker and members of the Mayoral Committee;
- (b) Other persons having the authority and responsibility for planning, directing and controlling the activities of the reporting Municipality being the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

Remuneration of management includes remuneration derived for services provided to the Municipality in their capacity as members of the management team or employees. Benefits derived directly or indirectly from the Municipality for services in any capacity other than as an employee or a member of management do not meet the definition of remuneration. Remuneration of management excludes any consideration provided solely as a reimbursement for expenditure incurred by those persons for the benefit of the Municipality.

The Municipality operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. As a result of the Constitutional independence of all three spheres of government in South Africa, only parties within the same sphere of government will be considered to be related parties. Only transactions with such parties which are not at arm’s length and not on normal commercial terms are disclosed.

## 1.29. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## 1.30. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 2000), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## 1.31. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure (measured at actual cost incurred) in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## 1.32. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent liability could also be a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to the obligation or the amount of the obligation cannot be measures with sufficient reliability.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the probability of an outflow of resources embodying economic benefits or service potential is remote. A contingent asset is disclosed where the inflow of economic benefits or service potential is probable.

Management judgement is required when recognising and measuring contingent liabilities.

## 1.33. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

### ***Post-retirement medical obligations and Long service awards***

The cost of post-retirement medical obligations and long service awards are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary



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increases, mortality rates and future pension increases. Major assumptions used are disclosed in note 12 of the Annual Financial Statements. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

## ***Impairment of Receivables***

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

## ***Property, Plant and Equipment***

The useful lives of property, plant and equipment are based on management's estimation. Infrastructure's useful lives are based on technical estimates of the practical useful lives for the different infrastructure types, given engineering technical knowledge of the infrastructure types and service requirements. For other assets and buildings management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and residual values of Property, Plant and Equipment:

- The useful life of movable assets was determined using the age of similar assets available for sale in the active market. Discussions with people within the specific industry were also held to determine useful lives.
- Local Government Industry Guides was used to assist with the deemed cost and useful life of infrastructure assets.
- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings. The Municipality also consulted with engineers to support the useful life of buildings, with specific reference to the structural design of buildings.

For deemed cost applied to other assets as per adoption of Directive 7, management used the depreciated replacement cost method which was based on assumptions about the remaining duration of the assets.

The cost for depreciated replacement cost was determined by using either one of the following:

- Cost of items with a similar nature currently in the Municipality's asset register;
- Cost of items with a similar nature in other municipalities' asset registers, given that the other municipality has the same geographical setting as the Municipality and that the other municipality's asset register is considered to be accurate;
- Cost as supplied by suppliers.

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For deemed cost applied to land and buildings as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

## ***Intangible Assets***

The useful lives of intangible assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate.

Reference was made to intangibles used within the Municipality and other municipalities to determine the useful life of the assets.

For deemed cost applied to intangible assets as per adoption of Directive 7, management used the depreciation cost method which was based on assumptions about the remaining duration of the assets.

## ***Investment Property***

The useful lives of investment property are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their economic lives, and in what condition they will be at that time.

Management referred to the following when making assumptions regarding useful lives and valuation of investment property:

- The Municipality referred to buildings in other municipal areas to determine the useful life of buildings.
- The Municipality also consulted with professional engineers and qualified valuers to support the useful life of buildings.

For deemed cost applied to Investment Property as per adoption of Directive 7, management made use of an independent valuator. The valuator's valuation was based on assumptions about the market's buying and selling trends and the remaining duration of the assets.

## ***Provisions and Contingent Liabilities***



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Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the time value effect is material.

## ***Provision for Landfill Sites***

The provision for rehabilitation of the landfill site is recognised as and when the environmental liability arises. The provision is calculated by a qualified environmental engineer. The provision represents the best estimate to rehabilitate the landfill site at year end. To the extent that the obligations relate to an asset, it is capitalised as part of the cost of those assets. Any subsequent changes to an obligation that did not relate to the initial related asset is charged to the Statement of Financial Performance.

Management referred to the following when making assumptions regarding provisions:

- Professional engineers were utilised to determine the cost of rehabilitation of landfill sites as well as the remaining useful life of each specific landfill site.
- Interest rates (investment rate) linked to prime was used to calculate the effect of time value of money.

## ***Provision for Staff leave***

Staff leave is accrued to employees according to collective agreements. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave or when employment is terminated.

## ***Pre-paid electricity estimation***

Pre-paid electricity is only recognised as income once the electricity is consumed. The pre-paid electricity balance (included under payables) represents the best estimate of electricity sold at year end, which is still unused. The average pre-paid electricity sold per day during the year under review is used and the estimate is calculated using between 5 and 10 days' worth of unused electricity.

## ***Componentisation of Infrastructure assets***

All infrastructure assets are unbundled into their significant components in order to depreciate all major components over the expected useful lives. The cost of each component is estimated based on the current market price of each component, depreciated for age and condition and recalculated to cost at the acquisition date if known or to the date of initially adopting the standards of GRAP.

## ***Revenue Recognition***

Accounting Policy on Revenue from Non-Exchange Transactions and Accounting Policy on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the Municipality.

In making their judgement, management considered the detailed criteria for the

recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-Exchange Transactions. Specifically, whether the Municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been performed. The management of the Municipality is satisfied that recognition of the revenue in the current year is appropriate.

## **1.34. TAXES – VALUE ADDED TAX**

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

## **1.35. CAPITAL COMMITMENTS**

Capital commitments disclosed in the financial statements represents the balance committed to capital projects on reporting date that will be incurred in the period subsequent to the specific reporting date.

## **1.36. EVENTS AFTER REPORTING DATE**

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

If non-adjusting events after the reporting date are material, the Municipality discloses the nature and an estimate of the financial effect.

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## 2. PROPERTY, PLANT AND EQUIPMENT

2.1 30 JUNE 2019

	Cost/Revaluation						Accumulated Depreciation and Impairment Losses						Carrying Value
	Opening Balance	Correction of Error	Additions & WIP	Transfers	Disposals/ Impairment	Closing Balance	Opening Balance	Correction of Error	Depreciation	Transfers	Disposals/ Impairment	Closing Balance	
<b>Infrastructure</b>													
Roads and Storm Water	21 901 648	-	501 087	-	-	22 402 735	10 163 548	-	621 551	-	-	10 785 099	11 617 636
Electricity	9 750 540	-	1 483 459	-	-	11 234 000	5 299 297	-	130 703	-	-	5 430 000	5 803 999
Water Supply	36 272 201	-	6 642 290	-	(9 568)	42 904 922	11 184 399	-	653 035	-	(5 164)	11 832 269	31 072 653
Sanitation	7 791 331	-	2 407 553	-	-	10 198 884	5 359 561	-	72 776	-	-	5 432 338	4 766 546
Solid Waste	15 671 912	-	-	-	-	15 671 912	6 191 456	-	4 148 720	-	-	10 340 176	5 331 736
Other	1 120 831	-	-	-	-	1 120 831	704 122	-	34 236	-	-	738 358	382 472
	92 508 462	-	11 034 389	-	(9 568)	103 533 283	38 902 383	-	5 661 021	-	(5 164)	44 558 240	58 975 042
<b>Community Assets</b>													
Community Facilities													
Halls and Buildings	9 282 419	-	-	-	-	9 282 419	4 567 987	-	248 702	-	-	4 816 689	4 465 730
Fire/Ambulance Stations	28 734	-	-	-	-	28 734	13 515	-	6 764	-	-	20 279	8 455
Libraries	546 431	-	-	-	-	546 431	199 316	-	16 094	-	-	215 410	331 021
Sport and Recreation Facilities													
Outdoor Facilities	7 288 718	-	2 535 959	-	(2 400)	9 822 277	1 168 876	-	195 921	-	(2 132)	1 362 665	8 459 612
	17 146 302	-	2 535 959	-	(2 400)	19 679 861	5 949 694	-	467 481	-	(2 132)	6 415 043	13 264 818
<b>Other Assets</b>													
Other Land	41 218 690	-	-	-	-	41 218 690	-	-	-	-	-	-	41 218 690
Operational Buildings													
Municipal Offices	490 028	-	-	-	-	490 028	257 117	-	29 397	-	-	286 514	203 514
Workshops	4 620	-	-	-	-	4 620	3 234	-	143	-	-	3 377	1 243
Computer Equipment	777 044	-	63 069	-	-	840 113	344 174	-	182 867	-	(41 346)	485 695	354 418
Furniture and Office Equipment	1 166 045	-	7 677	-	(52 225)	1 121 496	517 015	-	158 606	-	(51 581)	624 040	497 456
Machinery and Equipment	1 083 188	-	5 363	-	(47 679)	1 040 872	358 111	-	140 786	-	(42 683)	456 214	584 658
Transport Assets	5 952 302	-	-	-	-	5 952 302	2 875 573	-	647 713	-	-	3 523 286	2 429 015
	50 691 916	-	76 109	-	(99 905)	50 668 121	4 355 225	-	1 159 513	-	(135 611)	5 379 127	45 288 994
<b>Leases</b>													
Furniture and Office Equipment	76 990	-	-	-	(76 990)	-	14 970	-	20 673	-	(35 644)	(0)	0
	76 990	-	-	-	(76 990)	-	14 970	-	20 673	-	(35 644)	(0)	0
<b>Total</b>	160 423 671	-	13 646 457	-	(188 863)	173 881 265	49 222 272	-	7 308 688	-	(178 551)	56 352 410	117 528 855

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## 2.2 30 JUNE 2018

	Cost/Revaluation						Accumulated Depreciation and Impairment Losses						Carrying Value
	Opening Balance	Correction of Error	Additions & WIP	Transfers	Disposals/ Impairment	Closing Balance	Opening Balance	Correction of Error	Depreciation	Transfers	Disposals/ Impairment	Closing Balance	
<b>Infrastructure</b>													
Roads and Storm Water	21 901 648	-	-	-	-	21 901 648	9 291 078	(39 023)	911 493	-	-	10 163 548	11 738 100
Electricity	9 551 472	-	199 069	-	-	9 750 540	5 087 691	17 271	194 334	-	-	5 299 297	4 451 243
Water Supply	24 194 885	-	12 077 315	-	-	36 272 201	10 786 917	(59 836)	457 318	-	-	11 184 399	25 087 802
Sanitation	7 791 331	-	-	-	-	7 791 331	5 206 477	(10 767)	163 851	-	-	5 359 561	2 431 770
Solid Waste	8 838 365	-	6 833 547	-	-	15 671 912	6 709 427	(5 656 310)	5 138 339	-	-	6 191 456	9 480 456
Other	1 120 831	-	-	-	-	1 120 831	639 336	-	64 786	-	-	704 122	416 709
	73 398 531	-	19 109 931	-	-	92 508 462	37 720 926	(5 748 665)	6 930 123	-	-	38 902 383	53 606 079
<b>Community Assets</b>													
Community Facilities													
Halls and Buildings	9 598 191	(109 622)	-	(206 150)	-	9 282 419	4 383 757	(83 003)	388 700	(121 467)	-	4 567 987	4 714 432
Fire/Ambulance Stations	34 832	-	-	-	(6 098)	28 734	17 540	66	889	-	(4 980)	13 515	15 219
Libraries	330 894	-	-	215 537	-	546 431	33 090	29 036	11 030	126 160	-	199 316	347 116
Sport and Recreation Facilities													
Outdoor Facilities	4 340 902	-	2 959 123	(9 387)	(1 920)	7 288 718	1 485 599	(497 770)	186 563	(4 693)	(823)	1 168 876	6 119 842
	14 304 819	(109 622)	2 959 123	(0)	(8 018)	17 146 302	5 919 985	(551 671)	587 182	0	(5 803)	5 949 694	11 196 608
<b>Other Assets</b>													
Other Land	41 218 690	-	-	-	-	41 218 690	-	-	-	-	-	-	41 218 690
Operational Buildings													
Municipal Offices	268 104	-	-	221 924	-	490 028	267 917	(30 923)	75	20 048	-	257 117	232 911
Workshops	3 029	-	-	1 591	-	4 620	1 335	-	308	1 591	-	3 234	1 386
Computer Equipment	684 990	-	-	92 054	-	777 044	486 776	(70 431)	27 676	(136 201)	-	307 820	469 224
Furniture and Office Equipment	1 126 644	-	-	39 609	(209)	1 166 045	469 084	(112 652)	143 134	17 621	(171)	517 015	649 029
Machinery and Equipment	1 401 975	-	181 257	(496 185)	(3 859)	1 083 188	49 073	(19 310)	356 583	(24 499)	(3 736)	358 111	725 077
Transport Assets	5 728 909	-	378 185	141 007	(295 799)	5 952 302	2 450 842	(64 055)	661 386	121 439	(294 038)	2 875 573	3 076 729
	50 432 341	-	559 442	-	(299 867)	50 691 916	3 725 027	(297 371)	1 189 161	-	(297 946)	4 318 870	46 373 046
<b>Leases</b>													
Furniture and Office Equipment	76 990	-	-	-	-	76 990	25 663	-	25 663	-	-	51 327	25 663
	76 990	-	-	-	-	76 990	25 663	-	25 663	-	-	51 327	25 663
<b>Total</b>	138 212 681	(109 622)	22 628 496	(0)	(307 884)	160 423 671	47 391 602	(6 597 707)	8 732 128	0	(303 748)	49 222 274	111 201 396

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	2019 R	2018 R
<b>2.3 Property, Plant and Equipment which is in the process of being constructed or developed:</b>		
Infrastructure Assets	5 625 919	13 417 777
Electricity	900 635	199 069
Water Supply	2 317 732	13 218 709
Sanitation	2 407 553	-
Community Assets	87 613	3 206 681
<b>Total Property, Plant and Equipment under construction</b>	<b>5 713 532</b>	<b>16 624 458</b>
The movements for the year can be reconciled as follows:		
Balance at beginning of year	16 624 458	1 414 864
Expenditure during the year	13 515 921	15 209 594
Assets unbundled during the year	(24 426 848)	-
Impairment recognised during the year	-	-
<b>Balance at end of year</b>	<b>5 713 532</b>	<b>16 624 458</b>
<b>2.4 Property, Plant and Equipment that is taking a significantly longer period of time to complete than expected:</b>		
Community Assets	-	3 206 681
<b>Total</b>	<b>-</b>	<b>3 206 681</b>
The upgrading of Sport Grounds is taken significantly longer due to difficulties experience by the contractor.		
<b>2.5 There are no Property, Plant and Equipment where construction or development has been halted.</b>		
Community Assets	87 613	-
<b>Total</b>	<b>87 613</b>	<b>-</b>
The municipality requires land from to Witbank Community Trust to continue with the project.		
<b>2.6 Expenditure incurred to repair and maintain Property, Plant and Equipment:</b>		
Employee related costs	-	-
Other materials	1 449 185	790 335
Contracted Services	1 063 538	1 152 090
Other Expenditure	-	-
<b>Total Repairs and Maintenance</b>	<b>2 512 723</b>	<b>1 942 425</b>
<b>2.7 Assets pledged as security:</b>		
Leased Property, Plant and Equipment of R0 (2018: R25 663) is secured for leases as set out in Note 10.		
<b>2.8 Details of Valuation</b>		
Land and Buildings were revalued on 1 July 2013 by an independent valuer, DDP Valuations. Fair values were determined by reference to observable prices in the active market or recent market transactions on arm's length transactions. Land and Buildings are revalued every 5 years.		
Reconciliation of Revaluation Surplus:		
Opening balance	28 174 539	28 362 081
Revaluation	-	-
Offset Depreciation	(187 542)	(187 542)
Closing balance	27 986 997	28 174 539
<b>2.9 Contractual commitments for acquisition of Property, Plant and Equipment:</b>		
Approved and contracted for:	4 019 626	6 815 014
Infrastructure	3 556 368	3 465 318
Community	463 258	3 349 696
<b>Total</b>	<b>4 019 626</b>	<b>6 815 014</b>
This expenditure will be financed from:		
Government Grants	4 019 626	6 815 014
<b>Total</b>	<b>4 019 626</b>	<b>6 815 014</b>

# APPENDICES

		2019 R	2018 R
<b>3. INVESTMENT PROPERTY</b>			
<b>3.1 Net Carrying amount at 1 July</b>		<b>5 519 218</b>	<b>6 023 814</b>
Cost		5 696 168	5 994 609
Correction of Error - Note 41.2		-	109 622
Accumulated Depreciation		(176 951)	(29 991)
Correction of Error - Note 41.2		-	(50 426)
Transfer from/(to) Inventory - Note 6		(1 261 296)	-
Cost		(1 261 296)	-
Accumulated Depreciation		-	-
Disposals		(65 250)	(1 600)
Depreciation for the year		(6 096)	(502 996)
<b>Net Carrying amount at 30 June</b>		<b>4 186 576</b>	<b>5 519 218</b>
Cost		4 369 622	5 696 168
Accumulated Depreciation		(183 046)	(176 951)
Accumulated Impairment Loss		-	-
<b>3.2 Revenue from Investment Property</b>			
Revenue derived from the rental of Investment Property		6 000	57 531
<b>3.3 Operating Expenditure incurred on properties:</b>			
<b>Repairs and Maintenance</b>			
Non-revenue Generating		-	50 273
Improved Property		-	50 273
Unimproved Property		-	-
<b>Total Repairs and Maintenance</b>		<b>-</b>	<b>50 273</b>
The Municipality has no Investment Property which is in the process of being constructed or developed.			
The Municipality has no Investment Property that is taking a significantly longer period of time to complete than expected.			
The Municipality has no Investment Property where construction or development has been halted.			
There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.			
There are no contractual obligation to purchase, construct or develop investment property or for repairs, maintenance or enhancements.			
<b>4. INTANGIBLE ASSETS</b>			
<b>4.1 Net Carrying amount at 1 July</b>		<b>286 542</b>	<b>324 680</b>
Cost		553 716	527 458
Accumulated Amortisation		(267 173)	(186 111)
Correction of Error - Note 41.3		-	(16 667)
Additions		22 767	26 258
Amortisation		(113 762)	(64 396)
<b>Net Carrying amount at 30 June</b>		<b>195 548</b>	<b>286 542</b>
Cost		576 483	553 716
Accumulated Amortisation		(380 935)	(267 173)
Accumulated Impairment Loss		-	-
The Municipality has no Intangible Assets which is in the process of being constructed or developed.			
The Municipality has no Intangible Assets that is taking a significantly longer period of time to complete than expected.			
The Municipality has no Intangible Assets where construction or development has been halted.			
No intangible asset were assed having an indefinite useful life.			
There are no internally generated intangible assets at reporting date.			
There are no intangible assets whose title is restricted.			

# APPENDICES

There are no intangible assets pledged as security for liabilities.			
There are no contractual commitments for the acquisition of intangible assets.			
		<b>2019</b>	<b>2018</b>
		<b>R</b>	<b>R</b>
<b>5. OPERATING LEASE ARRANGEMENTS</b>			
<b>5.1 The Municipality as Lessor</b>			
Operating Lease Liability		103 203	105 804
<u>Disclosed as follows:</u>			
Non-Current Operating Lease Liability		-	-
Current Operating Lease Liability		103 203	105 804
		<b>103 203</b>	<b>105 804</b>
<b>Reconciliation</b>			
Balance at the beginning of the year		105 804	95 355
Movement during the year		(2 601)	10 449
Balance at the end of the year		<b>103 203</b>	<b>105 804</b>
At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:			
Up to 1 Year		44 495	199 978
1 to 5 Years		50 360	91 420
More than 5 Years		291 622	50 708
<b>Total Operating Lease Arrangements</b>		<b>386 476</b>	<b>342 106</b>
This operating lease income determined from contracts that have a specific condition income and does not include leases which has a undetermined conditional income.			
<b>6. INVENTORY</b>			
Consumables		745 903	1 144 291
Housing Stock		1 412 346	159 050
Water		44 376	36 190
<b>Total Inventory</b>		<b>2 202 625</b>	<b>1 339 531</b>
The municipality recognised only purification costs in respect of non-purchased purified water inventory.			
<b>6.1 Inventories recognise as an expense during the year:</b>			
Consumables		104 431	134 446
Housing Stock		-	20 200
Materials and Supplies		1 440 999	1 654 319
Water		8 186	3 118
<b>Total</b>		<b>1 553 616</b>	<b>1 812 084</b>
<b>6.2 Inventories written down due to losses as identified during the annual stores counts:</b>			
Materials and Supplies		-	42 859
Water		-	-
<b>Total</b>		<b>-</b>	<b>42 859</b>
No inventories were pledged as security for liabilities.			
<b>7. RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>			
Electricity		1 763 056	1 583 099
Water		39 579 787	32 651 954
Property Rentals		211 358	153 662
Waste Management		4 410 023	3 350 185
Waste Water Management		4 679 685	3 574 360
Other Arrears		203 628	997 273
<b>Total: Receivables from exchange transactions (before provision)</b>		<b>50 847 537</b>	<b>42 310 533</b>
<b>Less:</b> Provision for Debt Impairment		(48 508 569)	(39 739 987)
<b>Total: Receivables from exchange transactions (after provision)</b>		<b>2 338 968</b>	<b>2 570 546</b>

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Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.

	2019 R	2018 R
<b><u>(Electricity): Ageing</u></b>		
Current (0 - 30 days)	613 970	410 848
31 - 60 Days	149 072	98 657
61 - 90 Days	53 173	59 676
+ 90 Days	946 842	1 013 918
<b>Total</b>	<b>1 763 056</b>	<b>1 583 099</b>
<b><u>(Water): Ageing</u></b>		
Current (0 - 30 days)	1 522 896	781 593
31 - 60 Days	885 134	638 763
61 - 90 Days	671 572	674 798
+ 90 Days	36 500 186	30 556 800
<b>Total</b>	<b>39 579 787</b>	<b>32 651 954</b>
<b><u>(Property Rentals): Ageing</u></b>		
Current (0 - 30 days)	76 612	53 195
31 - 60 Days	1 150	4 576
61 - 90 Days	1 150	3 076
+ 90 Days	132 445	92 815
<b>Total</b>	<b>211 358</b>	<b>153 662</b>
<b><u>(Waste Management): Ageing</u></b>		
Current (0 - 30 days)	268 224	122 662
31 - 60 Days	118 042	96 453
61 - 90 Days	109 894	91 422
+ 90 Days	3 913 863	3 039 648
<b>Total</b>	<b>4 410 023</b>	<b>3 350 185</b>
<b><u>(Waste Water Management): Ageing</u></b>		
Current (0 - 30 days)	292 861	138 870
31 - 60 Days	124 014	104 536
61 - 90 Days	113 053	94 682
+ 90 Days	4 149 758	3 236 272
<b>Total</b>	<b>4 679 685</b>	<b>3 574 360</b>
<b><u>(Other): Ageing</u></b>		
Current (0 - 30 days)	-	-
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	203 628	997 273
<b>Total</b>	<b>203 628</b>	<b>997 273</b>
<b><u>(Total): Ageing</u></b>		
Current (0 - 30 days)	2 774 562	1 507 168
31 - 60 Days	1 277 412	942 984
61 - 90 Days	948 842	923 654
+ 90 Days	45 846 721	38 936 726
<b>Total</b>	<b>50 847 537</b>	<b>42 310 533</b>



# APPENDICES

<u>Summary of Debtors by Customer Classification</u>				
	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>	<u>Total</u>
<b>30 June 2019</b>				
Current (0 - 30 days)	2 088 939	629 940	55 685	2 774 565
31 - 60 Days	1 146 267	108 971	22 175	1 277 412
61 - 90 Days	874 268	47 500	27 074	948 842
+ 90 Days	44 852 013	792 695	202 010	45 846 718
Sub-total	<u>48 961 487</u>	<u>1 579 107</u>	<u>306 944</u>	<u>50 847 537</u>
<b>Less:</b> Provision for Debt Impairment				(48 508 569)
<b>Total debtors by customer classification</b>				<b><u>2 338 968</u></b>
<u>Summary of Debtors by Customer Classification</u>				
	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>	<u>Total</u>
<b>30 June 2018</b>				
Current (0 - 30 days)	944 525	526 446	36 197	1 507 167
31 - 60 Days	851 980	79 371	11 633	942 985
61 - 90 Days	866 424	50 668	6 563	923 654
+ 90 Days	37 932 732	895 287	108 709	38 936 727
Sub-total	<u>40 595 660</u>	<u>1 551 771</u>	<u>163 102</u>	<u>42 310 533</u>
<b>Less:</b> Provision for Debt Impairment				(39 739 987)
<b>Total debtors by customer classification</b>				<b><u>2 570 546</u></b>
			<b>2019 R</b>	<b>2018 R</b>
<u>Reconciliation of Provision for Debt Impairment</u>				
Balance at beginning of year			39 739 987	31 366 836
Contribution to provision			7 624 854	7 200 595
VAT on provision			1 143 728	1 080 089
Correction of Error - Note 41.4			-	92 466
Balance at end of year			<u>48 508 569</u>	<u>39 739 987</u>
The total amount of this provision is R48 508 569 and consist of:				
Services			48 508 569	39 739 987
Other Debtors			-	-
<b>Total Provision for Debt Impairment on Receivables from exchange transactions</b>			<u>48 508 569</u>	<u>39 739 987</u>
<u>Ageing of amounts past due but not impaired:</u>				
1 month past due			1 276 262	938 408
2+ months past due			1 062 706	1 632 138
			<u>2 338 968</u>	<u>2 570 546</u>
The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.				
Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.				

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				2019 R	2018 R
<b>8.</b>	<b>RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS</b>				
	Taxes - Rates			4 192 156	4 035 332
	Other Receivables			970 885	182 149
				<u>5 163 041</u>	<u>4 217 481</u>
	<b>Less:</b> Provision for Debt Impairment			<u>(4 078 982)</u>	<u>(3 854 080)</u>
	<b>Total Receivables from non-exchange transactions</b>			<b><u>1 084 060</u></b>	<b><u>363 401</u></b>
	The fair value of other receivables approximate their carrying value.				
	Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.				
	<b>(Rates): Ageing</b>				
	Current (0 - 30 days)			242 951	105 681
	31 - 60 Days			94 211	734 115
	61 - 90 Days			75 094	53 973
	+ 90 Days			3 779 900	3 141 562
	<b>Total</b>			<b><u>4 192 156</u></b>	<b><u>4 035 332</u></b>
	<b>Summary of Debtors (Rates) by Customer Classification</b>				
		<b>Residential</b>	<b>Industrial/ Commercial</b>	<b>National and Provincial Government</b>	<b>Total</b>
	<b>30 June 2019</b>				
	Current (0 - 30 days)	184 758	56 445	1 748	242 951
	31 - 60 Days	71 756	21 776	680	94 211
	61 - 90 Days	54 056	20 358	680	75 094
	+ 90 Days	3 520 492	163 664	95 743	3 779 900
	Sub-total	<u>3 831 061.65</u>	<u>262 243</u>	<u>98 851</u>	<u>4 192 156</u>
	<b>Less:</b> Provision for Debt Impairment				<u>(4 078 982)</u>
	<b>Total debtors by customer classification</b>				<b><u>113 175</u></b>
	<b>Summary of Debtors (Rates) by Customer Classification</b>				
		<b>Residential</b>	<b>Industrial/ Commercial</b>	<b>National and Provincial Government</b>	<b>Total</b>
	<b>30 June 2018</b>				
	Current (0 - 30 days)	88 989	16 116	575	105 681
	31 - 60 Days	473 725	259 707	683	734 115
	61 - 90 Days	47 072	6 218	683	53 973
	+ 90 Days	2 976 692	124 000	40 870	3 141 562
	Sub-total	<u>3 586 478</u>	<u>406 041</u>	<u>42 812</u>	<u>4 035 332</u>
	<b>Less:</b> Provision for Debt Impairment				<u>(3 854 080)</u>
	<b>Total debtors by customer classification</b>				<b><u>181 251</u></b>
	<b>Reconciliation of Provision for Debt Impairment</b>				
	Balance at beginning of year			3 854 080	2 098 038
	Contribution to provision			224 901	1 747 075
	Correction of Error - Note 41.5			-	8 968
	Balance at end of year			<u>4 078 982</u>	<u>3 854 080</u>
	The total amount of this provision is R4 078 982 and consist of:				
	Taxes			4 078 982	3 854 080
	Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions			<u>4 078 982</u>	<u>3 854 080</u>

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	2019 R	2018 R
<b><u>Ageing of amounts past due but not impaired:</u></b>		
1 month past due	94 211	734 115
2+ months past due	18 964	(552 864)
	<b>113 175</b>	<b>181 251</b>
<p>The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.</p> <p>Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.</p>		
<b>9. BANK ACCOUNTS</b>		
<b>9.1 <u>Cash and Cash Equivalents</u></b>		
Current Accounts	258 287	84 600
Call Deposits and Investments	935 603	848 510
Cash On-hand	100	100
<b>Total Cash and Cash Equivalents - Assets</b>	<b>1 193 990</b>	<b>933 210</b>
<p>The municipality has the following bank accounts:</p> <p><b><u>Current Accounts</u></b></p> <p>Standard Bank Limited – Account Number 04 185 0173 (Primary Bank Account)</p>		
	258 287	84 600
	<b>258 287</b>	<b>84 600</b>
<b><u>Call Deposits and Investments</u></b>		
Standard Bank Limited - (Water Supply Pofadder (007)):	-	-
Standard Bank Limited - (Housing fund (007)):	-	-
Standard Bank Limited - (LGSETA (007)):	-	-
Standard Bank Limited - (FMG):	-	-
Standard Bank Limited - (Build of 184 Houses (017)):	173	173
Standard Bank Limited - (Municipal Infrastructure Grant (015)):	(0)	807 052
Standard Bank - (INEP):	650 000	-
Standard Bank Limited - (Municipal Systems Improvement Grant):	-	-
Standard Bank Limited - (Water Service Infrastructure):	285 430	41 285
Standard Bank Limited - (EPWP - Brick Making Project):	-	-
	<b>935 603</b>	<b>848 510</b>
<p>Details of current accounts are as follow:</p> <p><b><u>Standard Bank Limited – Account Number 04 185 0173 (Primary Bank Account)</u></b></p>		
Cash book balance at beginning of year	84 600	195 413
Cash book balance at end of year	258 287	84 600
Bank statement balance at beginning of year	-	195 413
Bank statement balance at end of year	-	-
<p>Details of call investment accounts are as follow:</p> <p><b><u>Standard Bank Limited - (Water Supply Pofadder (007)):</u></b></p>		
Cash book balance at beginning of year	-	6 750
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	6 750
Bank statement balance at end of year	-	-
<b><u>Standard Bank Limited - (Housing fund (007)):</u></b>		
Cash book balance at beginning of year	-	15 309
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	15 309
Bank statement balance at end of year	-	-

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	2019 R	2018 R
<b>Standard Bank Limited - (LGSETA (007)):</b>		
Cash book balance at beginning of year	-	33 392
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	33 392
Bank statement balance at end of year	-	-
<b>Standard Bank Limited - (FMG):</b>		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-
<b>Standard Bank Limited - (Build of 184 Houses (017)):</b>		
Cash book balance at beginning of year	173	173
Cash book balance at end of year	173	173
Bank statement balance at beginning of year	-	173
Bank statement balance at end of year	-	-
<b>Standard Bank Limited - (Municipal Infrastructure Grant (015)):</b>		
Cash book balance at beginning of year	807 052	5 943 524
Cash book balance at end of year	(0)	807 052
Bank statement balance at beginning of year	-	5 943 524
Bank statement balance at end of year	-	-
<b>Standard Bank - (INEP):</b>		
Cash book balance at beginning of year	-	-
Cash book balance at end of year	650 000	-
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-
<b>Standard Bank Limited - (Municipal Systems Improvement Grant):</b>		
Cash book balance at beginning of year	-	333 306
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	333 306
Bank statement balance at end of year	-	-
<b>Standard Bank Limited - (Water Service Infrastructure):</b>		
Cash book balance at beginning of year	41 285	-
Cash book balance at end of year	285 430	41 285
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-
<b>Standard Bank Limited - (EPWP - Brick Making Project):</b>		
Cash book balance at beginning of year	-	60 050
Cash book balance at end of year	-	-
Bank statement balance at beginning of year	-	60 050
Bank statement balance at end of year	-	-
<b>10. LONG-TERM BORROWINGS</b>		
Capitalised Lease Liability - At amortised cost	-	28 688
	-	<b>28 688</b>
<b>Less:</b> Current Portion transferred to Current Liabilities	-	<b>(28 688)</b>
Capitalised Lease Liability - At amortised cost	-	(28 688)
	-	-
<b>Total Long-term Borrowings</b>	-	-

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Location	Estimated decommission date	2019	2018
		R	R
Pofadder	2028	22 364 953	11 062 902
Pella	2019	6 462 412	8 152 148
Witbank	2019	2 071 911	2 994 202
Melkbosrand	2019	2 292 075	4 123 619
Sending/ Vlijoensdraai	2019	2 122 229	1 832 990
		<b>35 313 581</b>	<b>28 165 862</b>
<b>12. NON-CURRENT EMPLOYEE BENEFITS</b>			
Provision for Post Retirement Health Care Benefits		5 403 826	5 970 200
Provision for Long Service Awards		921 648	697 716
<b>Total Non-current Employee Benefits</b>		<b>6 325 474</b>	<b>6 667 916</b>
<b><u>Post Retirement Health Care Benefits</u></b>			
Balance 1 July		6 165 798	5 694 798
Contribution for the year		979 701	937 203
Expenditure for the year		(196 745)	(182 276)
Actuarial Loss/(Gain)		(1 333 012)	(283 927)
<b>Total provision 30 June</b>		<b>5 615 742</b>	<b>6 165 798</b>
<b>Less:</b> Transfer of Current Portion to Current Provisions - Note 14		(211 916)	(195 598)
<b>Balance 30 June</b>		<b>5 403 826</b>	<b>5 970 200</b>
<b><u>Long Service Awards</u></b>			
Balance 1 July		706 420	618 464
Contribution for the year		166 161	141 974
Expenditure for the year		-	(73 553)
Actuarial Loss/(Gain)		168 759	19 535
<b>Total provision 30 June</b>		<b>1 041 340</b>	<b>706 420</b>
<b>Less:</b> Transfer of Current Portion to Current Provisions - Note 14		(119 692)	(8 704)
<b>Balance 30 June</b>		<b>921 648</b>	<b>697 716</b>
<b>12.1 Provision for Post Retirement Health Care Benefits</b>			
The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:			
In-service (employee) members		16	19
In-service (employee) non-members		57	52
Continuation members (e.g. Retirees, widows, orphans)		5	5
<b>Total Members</b>		<b>78</b>	<b>76</b>
		<b>2019</b>	<b>2018</b>
		<b>R</b>	<b>R</b>
The liability in respect of past service has been estimated to be as follows:			
In-service members		2 536 875	3 107 234
In-service non-members		731 536	927 825
Continuation members		2 339 855	2 130 739
<b>Total Liability</b>		<b>5 608 266</b>	<b>6 165 798</b>
The liability in respect of periods commencing prior to the comparative year has been estimated as follows:			
	<b>2017</b>	<b>2016</b>	<b>2015</b>
	<b>R</b>	<b>R</b>	<b>R</b>
In-service members	2 758 191	3 013 217	3 047 282
In-service non-members	770 906	-	-
Continuation members	2 165 701	2 164 404	1 481 523
<b>Total Liability</b>	<b>5 694 798</b>	<b>5 177 621</b>	<b>4 528 805</b>
The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:			
LA Health			
Key Health			
The Current-service Cost for the ensuing year is estimated to be R292 150, whereas the Interest Cost for the next year is estimated to be R517 441.			

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Key actuarial assumptions used:			2019 %	2018 %
i) Rate of interest				
Discount rate			9.40%	9.63%
Health Care Cost Inflation Rate			6.86%	7.43%
Net Effective Discount Rate			2.38%	2.05%
ii) Mortality rates				
The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.				
iii) Normal retirement age				
The average retirement age of staff is 62 years.				
iv) Expected rate of salary increases				
2019/2020 - CPI + 1,5%				
2020/2021 - CPI + 1,25%				
The three-year Salary and Wage Collective Agreement ends on 30 June 2018.				
			2019 R	2018 R
The amounts recognised in the Statement of Financial Position are as follows:				
Present value of fund obligations			5 615 742	6 165 798
Fair value of plan assets			-	-
			5 615 742	6 165 798
Unrecognised past service cost			-	-
Unrecognised actuarial gains/(losses)			-	-
Present Value of unfunded obligations			-	-
Net liability/(asset)			5 615 742	6 165 798
Reconciliation of present value of fund obligation:				
Present value of fund obligation at the beginning of the year			6 165 798	5 694 798
Total expenses			782 956	754 927
Current service cost			395 136	391 040
Interest Cost			584 565	546 163
Benefits Paid			(196 745)	(182 276)
Actuarial (gains)/losses			(1 333 012)	(283 927)
Present value of fund obligation at the end of the year			5 615 742	6 165 798
Reconciliation of fair value of plan assets:				
Fair value of plan assets at the beginning of the year			-	-
Expected return on plan assets			-	-
Contributions: Employer			-	-
Contributions: Employee			-	-
Past Service Costs			-	-
Actuarial (gains)/losses			-	-
Benefits Paid			-	-
Fair value of plan assets at the end of the year			-	-
Sensitivity Analysis on the Accrued Liability on 30 June 2019				
	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	
Assumption				
Central Assumptions	3.268	2.340	5.608	
The effect of movements in the assumptions are as follows:				

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	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
<b>Assumption</b>					
Health care inflation rate	1%	3.898	2.567	6.465	15%
Health care inflation rate	-1%	2.764	2.143	4.907	-12%
Discount rate	1%	2.779	2.149	4.928	-12%
Discount rate	-1%	3.888	2.564	6.452	15%
Post-employment mortality	-1 year	3.364	2.432	5.796	3%
Average retirement age	-1 year	3.607	2.340	5.947	6%
Continuation of membership at retirement	-10%	2.461	2.340	4.801	-14%
<b>Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2020</b>					
		<b>Current Service Cost (R)</b>	<b>Interest Cost (R)</b>	<b>Total (R)</b>	
<b>Assumption</b>					
Central Assumptions		292 200	517 400	809 600	
The effect of movements in the assumptions are as follows:					
	Change	<b>Current Service Cost (R)</b>	<b>Interest Cost (R)</b>	<b>Total (R)</b>	<b>% change</b>
<b>Assumption</b>					
Health care inflation rate	1%	354 900	598 000	952 900	18%
Health care inflation rate	-1%	242 900	451 600	694 500	-14%
Discount rate	1%	246 500	501 800	748 300	-8%
Discount rate	-1%	350 600	533 200	883 800	9%
Post-employment mortality	-1 year	300 800	535 100	835 900	3%
Average retirement age	-1 year	286 000	549 300	835 300	3%
Continuation of membership at retirement	-10%	180 200	441 500	621 700	-23%
				<b>2019 Rm</b>	<b>2018 Rm</b>
Experience adjustments were calculated as follows:					
Liabilities: (Gain) / loss				0.091	(0.284)
Assets: Gain / (loss)				-	-
The liability in respect of periods commencing prior to the comparative year has been estimated as follows:					
		<b>2017 Rm</b>	<b>2016 Rm</b>	<b>2015 Rm</b>	
Liabilities: (Gain) / loss		0.683	0.166	(0.616)	
Assets: Gain / (loss)		-	-	-	
			<b>2019 R</b>	<b>2018 R</b>	
<b>12.2 Provision for Long Service Bonuses</b>					
The Long Service Bonus plans are defined benefit plans. As at year end, 73 employees were eligible for Long Service Bonuses.					
The Current-service Cost for the ensuing year is estimated to be R133 899 whereas the Interest Cost for the next year is estimated to be R79 595.					
			<b>2019 %</b>	<b>2018 %</b>	
Key actuarial assumptions used:					
<b>i) Rate of interest</b>					
Discount rate			8.10%	8.63%	
General Salary Inflation (long-term)			5.52%	6.23%	
Net Effective Discount Rate applied to salary-related Long Service Bonuses			2.45%	2.26%	
<b>The amounts recognised in the Statement of Financial Position are as follows:</b>					
Present value of fund obligations			1 041 340	706 420	
Fair value of plan assets			-	-	
			1 041 340	706 420	
Unrecognised past service cost			-	-	
Unrecognised actuarial gains/(losses)			-	-	
Present value of unfunded obligations			-	-	
<b>Net liability/(asset)</b>			<b>1 041 340</b>	<b>706 420</b>	



# APPENDICES

	2019 R	2018 R			
<b>Reconciliation of present value of fund obligation:</b>					
Present value of fund obligation at the beginning of the year	706 420	618 464			
Total expenses	166 161	68 421			
Current service cost	105 565	94 058			
Vested past service cost	-	-			
Interest Cost	60 596	47 916			
Benefits Paid	-	(73 553)			
Actuarial (gains)/losses	168 759	19 535			
Present value of fund obligation at the end of the year	<b>1 041 340</b>	<b>706 420</b>			
<b>Reconciliation of fair value of plan assets:</b>					
Fair value of plan assets at the beginning of the year	-	-			
Expected return on plan assets	-	-			
Contribution: Employer	-	-			
Contribution: Employee	-	-			
Past service costs	-	-			
Actuarial (gains)/losses	-	-			
Benefits paid	-	-			
Fair value of plan assets at the end of the year	-	-			
<b>Sensitivity Analysis on the Accrued Liability on 30 June 2019</b>					
	<b>Change</b>	<b>Liability (Rm)</b>	<b>% change</b>		
<b>Assumption</b>					
Central assumptions		1.041			
General earnings inflation rate	1%	1.107	6%		
General earnings inflation rate	▼ -1%	0.982	-6%		
Discount rate	1%	0.980	-6%		
Discount rate	▼ -1%	1.111	7%		
Average retirement age	-2 yrs	0.899	-14%		
Average retirement age	2 yrs	1.125	8%		
Withdrawal rates	▼ -50%	1.201	15%		
<b>Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2020</b>					
	<b>Current Service Cost (R)</b>	<b>Interest Cost (R)</b>	<b>Total (R)</b>		
<b>Assumption</b>					
Central Assumptions	133 900	79 600	213 500		
The effect of movements in the assumptions are as follows:					
	<b>Change</b>	<b>Current Service Cost (R)</b>	<b>Interest Cost (R)</b>	<b>Total (R)</b>	<b>% change</b>
<b>Assumption</b>					
General earnings inflation rate	1%	144 700	84 900	229 600	8%
General earnings inflation rate	-1%	124 200	74 800	199 000	-7%
Discount rate	1%	125 000	83 800	208 800	-2%
Discount rate	-1%	143 900	74 700	218 600	2%
Average retirement age	-2 year	118 600	68 100	186 700	-13%
Average retirement age	2 year	147 000	86 300	233 300	9%
Withdrawal Rate	-50%	162 100	92 600	254 700	19%
				<b>2019 Rm</b>	<b>2018 Rm</b>
Experience adjustments were calculated as follows:					
Liabilities: (Gain) / loss				0.034	0.020
Assets: Gain / (loss)				-	-
The liability in respect of periods commencing prior to the comparative year has been estimated as follows:					
		<b>2017 Rm</b>	<b>2016 Rm</b>	<b>2015 Rm</b>	
Liabilities: (Gain) / loss		0.006	(0.015)	(0.025)	
Assets: Gain / (loss)		-	-	-	
The municipality performed their first actuarial valuation on 30 June 2015. Thus there are no experience adjustment figures available on or before 30 June 2015 to fully comply with GRAP 25.					

# APPENDICES

## 12.3 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

### LA RETIREMENT FUND (PREVIOUSLY CAPE JOINT PENSION FUND)

The contribution rate payable is 9%, by the members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2018 revealed that the fund has a funding level of 103,7% (30 June 2016 - 102,6%).

	2019 R	2018 R
Contributions paid recognised in the Statement of Financial Performance	1 528 466	1 334 606

### DEFINED CONTRIBUTION FUNDS

Council contribute to the National Fund for Municipal Workers and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Contributions paid recognised in the Statement of Financial Performance

National fund for Municipal Workers	64 101	58 506
SAMWU National Provident Fund	603 753	611 843
	667 854	670 349

## 13. CONSUMER DEPOSITS

Electricity	159 370	141 577
Rental Properties	8 010	8 762
Tenders	11 200	6 300
<b>Total Consumer Deposits</b>	<b>178 579</b>	<b>156 639</b>

Consumer deposits are paid by consumers on application for new and electricity connections. The deposits are repaid when the electricity connections are terminated. In cases where consumers default on their accounts, Council utilizes the deposit as payment for the outstanding account.

## 14. CURRENT EMPLOYEE BENEFITS

Staff Bonuses	484 580	495 800
Staff Leave	1 891 950	1 735 822
Current Portion of Non-Current Provisions	331 608	204 302
Current Portion of Post Retirement Benefits - Note 12	211 916	195 598
Current Portion of Long-Service Provisions - Note 12	119 692	8 704
<b>Total Provisions</b>	<b>2 708 138</b>	<b>2 435 923</b>

The movement in current provisions are reconciled as follows:

### 14.1 Staff Bonuses

Balance at beginning of year	495 800	327 321
Contribution to current portion	1 139 592	1 210 730
Expenditure incurred	(1 150 811)	(1 042 251)
Balance at end of year	<b>484 580</b>	<b>495 800</b>

Bonuses are being paid to all municipal staff, excluding section 57 employees. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

# APPENDICES

		2019 R	2018 R
<b>14.2</b>	<b><u>Staff Leave</u></b>		
	Balance at beginning of year	1 735 822	1 761 362
	Contribution to current portion	268 796	347 291
	Expenditure incurred	(112 667)	(372 831)
	Balance at end of year	<b>1 891 950</b>	<b>1 735 822</b>
	Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.		
<b>15.</b>	<b>TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS</b>		
	Trade Payables	33 433 189	23 672 223
	Advance Payments	121 527	139 933
	Control, Clearing and Interface Accounts	830 081	892 675
	Other Payables	663 693	452 375
	Department of Transport	5 036 131	3 584 487
	Retentions	806 355	280 344
	Correction of Error - Note 41.7	-	511 857
	<b>Total Trade Payables</b>	<b>40 890 977</b>	<b>29 533 894</b>
	Payables are being recognised net of any discounts.		
	The carrying value of trade and other payables approximates its fair value.		
	All payables are unsecured.		
<b>16.</b>	<b>UNSPENT TRANSFERS AND SUBSIDIES</b>		
	Unspent Transfers and Subsidies	1 464 921	3 215 896
	National Government Grants	1 237 172	3 014 632
	Provincial Government Grants	54 214	151 511
	District Municipality	-	-
	Other Sources	173 535	49 753
	<b>Less:</b> Unpaid Transfers and Subsidies	-	-
	National Government Grants	-	-
	Provincial Government Grants	-	-
	District Municipality	-	-
	Other Sources	-	-
	<b>Total Unspent Transfers and Subsidies</b>	<b>1 464 921</b>	<b>3 215 896</b>
	See appendix "E" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.		
	Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.		
<b>17.</b>	<b>TAXES</b>		
<b>17.1</b>	VAT Payable	-	1 092 750
	VAT Output in Suspense	(4 759 253)	(4 023 650)
	<b>Less:</b> Contribution to Provision for Doubtful Debt Impairment	4 986 076	3 670 788
	<b>Total VAT Payable</b>	<b>226 823</b>	<b>739 888</b>
<b>17.2</b>	VAT Receivable	314 902	-
	VAT Input in Suspense	4 918 758	3 728 454
	<b>Total VAT Receivable</b>	<b>5 233 660</b>	<b>3 728 454</b>
	Correction of Error - Note 41.8	-	178 408
<b>17.3</b>	<b>Net VAT (Payable)/Receivable</b>	<b>5 460 482</b>	<b>4 646 751</b>
	VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.		
<b>18.</b>	<b>SHORT-TERM BORROWINGS</b>		
	The Municipality has no short term borrowings.		

# APPENDICES

		2019 R	2018 R
<b>19. NET ASSET RESERVES</b>			
<b>RESERVES</b>		27 986 997	28 174 540
Housing Development Fund		-	16 155
Correction of Error - Note 41.9		-	(16 155)
Revaluation Reserve		27 986 997	28 174 539
<b>Total Net Asset Reserve and Liabilities</b>		<b>27 986 997</b>	<b>28 174 540</b>
<b>19.1</b>	The Housing Development Fund was established in terms of section 15 (5) and 16 of the Housing Act, Act 107 of 1997. The proceeds in this fund are utilised for housing development projects approved by the MEC. Any surplus/(deficit) on the Housing Department in the Statement of Financial Performance is transferred to the Housing Development Fund.		
<b>19.2</b>	The Revaluation Reserve is created by surplus arising from the revaluation of property, plant and equipment.		
<b>20. PROPERTY RATES</b>			
<u><b>Actual</b></u>			
<b>Rateable Land and Buildings</b>		18 445 031	17 141 360
Business and Commercial Property		1 801 646	1 714 916
Mining Properties		167 380	238 534
Municipal Properties		370 925	-
Residential Properties		3 389 299	3 187 346
State-owned Properties		352 157	332 349
Agricultural Property		12 363 624	11 668 216
<u><b>Less: Revenue Forgone</b></u>		<u>(13 134 467)</u>	<u>(12 087 995)</u>
<b>Total Property Rates</b>		<b>5 310 564</b>	<b>5 053 365</b>
<u><b>Valuations - 1 July 2018</b></u>			
<b>Rateable Land and Buildings</b>		1 055 946 755	1 055 946 755
Business and Commercial Property		70 548 000	71 247 000
Mining Properties		9 910 000	9 910 000
Municipal Properties		17 156 225	17 156 225
Public Benefit Organisations		4 520 000	4 530 000
Public Service Infrastructure Properties		285 000	286 000
Residential Properties		200 669 000	199 959 000
State-owned Properties		20 850 000	20 850 000
Agricultural Property		732 008 530	732 008 530
<u><b>Less: Revenue Forgone</b></u>		<u>(777 475 031)</u>	<u>(779 858 677)</u>
<b>Total Assessment Rates</b>		<b>278 471 724</b>	<b>276 088 078</b>
Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2013. The next valuation was exempted to 1 July 2019.			
<b>Basic Rate</b>			
Land and Improvements		0.01689c/R	0.01594c/R
Agricultural		0.000893c/R	0.000843c/R
Rates are levied annually and monthly. Monthly rates are payable by the 30th of the following month. Interest is levied at the prime rate plus 1% on outstanding monthly instalments.			
Rebates were granted on land with buildings used solely for dwellings purposes as follows:			
Residential -	The first R25 000 on the valuation is exempted.		
State -	- 5%		
Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.			

# APPENDICES

	2019 R	2018 R
<b>21. GOVERNMENT GRANTS AND SUBSIDIES</b>		
Government Grants and Subsidies - Operating	22 124 637	20 082 997
Equitable Share	17 394 416	16 391 010
Expanded Public Works Programme Integrated Grant	1 000 000	902 702
Local Government Financial Management Grant	1 970 000	1 900 000
Municipal Infrastructure Grant	1 002 221	-
Libraries, Archives and Museums	708 000	812 786
Municipal Systems Improvement Grant	-	-
LG SETA	-	76 499
Vedanta	50 000	-
Government Grants and Subsidies - Capital	12 862 121	17 556 483
Integrated National Electrification Programme Grant	1 070 825	982 974
Municipal Infrastructure Grant	6 709 779	12 587 284
Integrated City Development Grant	-	-
Water Services Infrastructure Grant	5 081 517	3 986 225
<b>Total Government Grants and Subsidies</b>	<b>34 986 758</b>	<b>37 639 480</b>
Included in above are the following grants and subsidies received:		
<b>Unconditional</b>	17 394 416	16 391 010
Equitable Share	17 394 416	16 391 010
<b>Conditional</b>	17 592 342	21 248 470
Local Government Financial Management Grant	1 970 000	1 900 000
Libraries, Archives and Museums	708 000	812 786
Integrated City Development Grant	-	-
Construction, Education and Training SETA	-	76 499
Integrated National Electrification Programme Grant	1 070 825	982 974
Municipal Infrastructure Grant	7 712 000	12 587 284
Water Services Infrastructure Grant	5 081 517	3 986 225
Expanded Public Works Programme Integrated Grant	1 000 000	902 702
Vedanta	50 000	-
<b>Total Government Grants and Subsidies</b>	<b>34 986 758</b>	<b>37 639 480</b>
Revenue recognised per vote as required by Section 123 (c) of the MFMA:		
Equitable share	17 394 416	16 391 010
Grants and Donations		
Finance and Administration	1 970 000	1 976 499
Community and social services	708 000	812 786
Sport and recreation	2 294 793	3 347 928
Road Transport	-	902 702
Energy Sources	1 070 825	982 974
Water Management	9 091 171	13 225 581
Waste Water Management	2 407 553	-
<b>Total Government Grants and Subsidies</b>	<b>34 986 758</b>	<b>37 639 480</b>
Based on the allocations set out in the Division of Revenue Act (DoRA), no significant changes in the level of government funding are expected over the forthcoming 3 financial years.		
<b>21.1 Equitable Share</b>		
Opening balance	-	-
Correction of Error	-	-
Grants received	17 394 416	16 391 010
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(17 394 416)	(16 391 010)
Conditions met - Capital	-	-
Conditions still to be met	-	-
The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.		

# APPENDICES

	2019 R	2018 R
<b>21.2 Local Government Financial Management Grant (FMG)</b>		
Opening balance	-	-
Correction of Error	-	-
Grants received	1 970 000	1 900 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(1 970 000)	(1 900 000)
Conditions met - Capital	-	-
Conditions still to be met	(0)	-
The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).		
<b>21.3 Municipal Systems Improvement Grant (MSIG)</b>		
Opening balance	212 118	212 118
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	212 118	212 118
The Municipal Systems Improvement Grant was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.		
<b>21.4 Municipal Infrastructure Grant (MIG)</b>		
Opening balance	1 771 207	8 843 501
Correction of Error	-	-
Grants received	7 712 000	7 825 000
Interest received	-	-
Repaid to National Revenue Fund	(1 771 207)	(2 310 010)
Conditions met - Operating	(1 002 221)	-
Conditions met - Capital	(6 709 779)	(12 587 284)
Conditions still to be met	-	1 771 207
The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.		
<b>21.5 Integrated National Electrification Grant</b>		
Opening balance	17 532	506
Correction of Error	-	-
Grants received	1 650 000	1 000 000
Interest received	-	-
Repaid to National Revenue Fund	(17 532)	-
Conditions met - Operating	-	-
Conditions met - Capital	(1 070 825)	(982 974)
Conditions still to be met	579 175	17 532
The National Electrification Grant was used for electrical connections in previously disadvantaged areas.		
<b>21.6 Library Grant</b>		
Opening balance	54 214	-
Correction of Error	-	-
Grants received	708 000	867 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(708 000)	(812 786)
Conditions met - Capital	-	-
Conditions still to be met	54 214	54 214
The grant was used to provide Library services to the community.		

# APPENDICES

		2019 R	2018 R
<b>21.7</b>	<b><u>Expanded Public Works Programme</u></b>		
	Opening balance	97 298	-
	Correction of Error	-	-
	Grants received	1 000 000	1 000 000
	Interest received	-	-
	Repaid to National Revenue Fund	(97 298)	-
	Conditions met - Operating	(1 000 000)	(902 702)
	Conditions met - Capital	-	-
	Conditions still to be met	-	97 298
	The grant was used for job creation.		
<b>21.8</b>	<b><u>Water Services Infrastructure Grant</u></b>		
	Opening balance	1 013 775	-
	Correction of Error	-	-
	Grants received	5 000 000	5 000 000
	Interest received	-	-
	Repaid to National Revenue Fund	(486 379)	-
	Conditions met - Operating	-	-
	Conditions met - Capital	(5 081 517)	(3 986 225)
	Conditions still to be met	445 879	1 013 775
	The grant was used for water infrastructure projects.		
<b>21.9</b>	<b><u>LG SETA</u></b>		
	Opening balance	49 753	95 408
	Correction of Error	-	-
	Grants received	43 783	30 843
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	-	(76 499)
	Conditions met - Capital	-	-
	Conditions still to be met	93 535	49 753
	The grant was used to provide training to employees.		
<b>21.10</b>	<b><u>VEDANTA</u></b>		
	Opening balance	-	-
	Correction of Error	-	-
	Grants received	130 000	-
	Interest received	-	-
	Repaid to National Revenue Fund	-	-
	Conditions met - Operating	(50 000)	-
	Conditions met - Capital	-	-
	Conditions still to be met	80 000	-
	The grant was used to provide training to employees.		
<b>21.11</b>	<b><u>Total Grants</u></b>		
	Opening balance	3 215 896	9 151 533
	Reclassification	-	-
	Grants received	35 608 199	34 013 853
	Interest received	-	-
	Repaid to National Revenue Fund	(2 372 416)	(2 310 010)
	Conditions met - Operating	(22 124 637)	(20 082 997)
	Conditions met - Capital	(12 862 121)	(17 556 483)
	Conditions still to be met/(Grant expenditure to be recovered)	1 464 921	3 215 896
	<u>Disclosed as follows:</u>		
	Unspent Conditional Government Grants and Receipts	1 464 921	3 215 896
	Transfers and Subsidies Payable	-	-
	<b>Total</b>	<b>1 464 921</b>	<b>3 215 896</b>
<b>22.</b>	<b><u>AVAILABILITY CHARGES</u></b>		
	Electricity	40 642	36 451
	Water	4 124 256	3 857 219
	<b>Total Availability Charges</b>	<b>4 164 898</b>	<b>3 893 670</b>

# APPENDICES

		2019 R	2018 R
<b>23. LICENCES AND PERMITS</b>			
Trading		400	282
Road and Transport		40 840	33 407
<b>Total Licences and Permits</b>		<b>41 239</b>	<b>33 688</b>
<u>Disclosed as follows:</u>			
Revenue from Non-Exchange Transactions		-	-
Revenue from Exchange Transactions		41 239	33 688
<b>Total Licences and Permits</b>		<b>41 239</b>	<b>33 688</b>
<b>24. SERVICE CHARGES</b>			
<b>Electricity</b>		<b>8 304 776</b>	<b>7 495 436</b>
Service Charges		8 904 106	8 044 725
<b>Less:</b> Revenue Forgone		(599 329)	(549 289)
<b>Water</b>		<b>1 778 357</b>	<b>2 545 691</b>
Service Charges		5 824 100	6 359 247
<b>Less:</b> Revenue Forgone		(4 045 743)	(3 813 557)
<b>Waste Management</b>		<b>1 210 268</b>	<b>1 094 403</b>
Service Charges		3 823 320	3 568 893
<b>Less:</b> Revenue Forgone		(2 613 053)	(2 474 490)
<b>Waste Water Management</b>		<b>1 380 944</b>	<b>1 291 033</b>
Service Charges		3 855 363	3 643 424
<b>Less:</b> Revenue Forgone		(2 474 419)	(2 352 391)
<b>Total Service Charges</b>		<b>12 674 345</b>	<b>12 426 563</b>
Revenue Forgone can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.			
<b>25. SALES OF GOODS AND RENDERING OF SERVICES</b>			
Application Fees for Land Usage		2 709	11 217
Building Plan Approval		19 346	7 866
Clearance Certificates		2 505	3 600
Photocopies and Faxes		2 871	828
Scrap, Waste & Other Goods		16 435	3 108
Valuation Services		1 242	200
<b>Total Sales of Goods and Rendering of Services</b>		<b>45 108</b>	<b>26 819</b>
<b>26. RENTAL FROM FIXED ASSETS</b>			
Heritage Assets		-	-
Investment Property		-	-
Biological Assets		-	-
Property, Plant and Equipment		231 876	213 825
<b>Total Rental from Fixed Assets</b>		<b>231 876</b>	<b>213 825</b>
<b>27. INTEREST EARNED - EXTERNAL INVESTMENTS</b>			
Bank		293 490	659 591
<b>Total Interest Earned - External Investments</b>		<b>293 490</b>	<b>659 591</b>
<b>28. INTEREST EARNED - EXCHANGE TRANSACTIONS</b>			
Trade Receivables		3 406 110	2 885 264
<b>Total Interest Earned - Outstanding Receivables</b>		<b>3 406 110</b>	<b>2 885 264</b>
<b>29. OPERATIONAL REVENUE</b>			
Merchandising, Jobbing and Contracts		-	263
Registration Fees		3 029	3 996
Settlement by National Treasury		2 979 341	4 482 770
Unclaimed Deposits		-	122 823
<b>Total Operational Revenue</b>		<b>2 982 370</b>	<b>4 609 852</b>



# APPENDICES

	2019 R	2018 R
Disclosed as follows:		
Revenue from Exchange Transactions	3 029	127 081
Revenue from Non-Exchange Transactions	2 979 341	4 482 770
<b>Total Operational Revenue</b>	<b>2 982 370</b>	<b>4 609 852</b>
<b>30. EMPLOYEE RELATED COSTS</b>		
Basic Salaries and Wages	15 323 633	14 220 467
Pension and UIF Contributions	2 072 280	1 868 742
Medical Aid Contributions	396 296	256 429
Overtime	1 565 549	1 452 452
Bonuses	1 139 592	1 210 730
Motor Vehicle Allowance	229 700	290 123
Cell Phone Allowance	23 365	23 365
Housing Allowances	69 262	49 762
Other benefits and allowances	494 905	574 506
Payments in lieu of leave	268 796	347 291
Workmen's Compensation Fund	110 530	89 531
Post-retirement Benefit Obligations	500 701	485 098
Medical - Note 12.1	395 136	391 040
Current Service Cost	395 136	391 040
Long Service Awards - Note 12.1	105 565	94 058
	22 194 608	20 868 494
<b>Less:</b> Employee Costs allocated elsewhere	-	-
Cost Capitalised to PPE	-	-
Cost allocated to Inventory	-	-
<b>Total Employee Related Costs</b>	<b>22 194 608</b>	<b>20 868 494</b>
<b>KEY MANAGEMENT PERSONNEL</b>		
Only Municipal Manager is appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to him at the end of the contract periods.		
<b>REMUNERATION OF KEY MANAGEMENT PERSONNEL</b>		
<i>Remuneration of the Municipal Manager - Mr OJ Isaacs</i>		
Basic Salary	1 083 409	947 451
Cell Phone Allowance	12 000	12 000
Other benefits and allowances	83 965	189 490
Payments in lieu of leave	-	181 910
<b>Total</b>	<b>1 179 374</b>	<b>1 330 852</b>
<i>Remuneration of the Chief Financial Officer - Mr PJ van der Merwe</i>		
Basic Salary	382 906	355 052
Pension and UIF Contributions	70 168	65 694
Medical Aid Contributions	48 967	46 884
Annual Bonus	31 659	29 588
Motor Vehicle Allowance	121 435	121 435
Cell Phone Allowance	5 683	5 683
Long service awards	-	21 303
<b>Total</b>	<b>660 817</b>	<b>645 639</b>
<b>31. REMUNERATION OF COUNCILLORS</b>		
PA van Heerden	850 363	861 912
S April	293 430	289 619
A A van Wyk	303 762	306 236
S Brandt	295 780	301 222
EP Cloete	308 080	304 230
AS Rooi		308 937
B Josop	247 572	-
S Quincy	294 930	289 619
<b>Total Councillors' Remuneration</b>	<b>2 593 917</b>	<b>2 661 775</b>

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Remuneration paid to Councillors can be summarised as follow:					
	Salary	Travel Allowance	Other Allowances	Contributions	Total
Mayor	581 297	30 900	238 166	-	850 363
Councillors	1 074 279	327 193	259 000	83 082	1 743 554
<b>Total Councillors' Remuneration</b>	<b>1 655 577</b>	<b>358 093</b>	<b>497 166</b>	<b>83 082</b>	<b>2 593 917</b>
<b>In-kind Benefits</b>					
The Mayor is a full-time Councillor. She is provided with an office and secretarial support at the cost of the Municipality. The Mayor may utilise official Council transportation when engaged in official duties.					
				<b>2019</b>	<b>2018</b>
				<b>R</b>	<b>R</b>
<b>32. CONTRACTED SERVICES</b>					
Cleaning Services				34 609	33 128
Personnel and Labour				1 005 803	430 598
Business and Advisory				1 080 133	747 927
Laboratory Services				35 726	27 537
Legal Cost				1 500	24 456
Catering Services				68 869	1 500
Maintenance of Buildings and Facilities				-	4 609
Maintenance of Equipment				996 671	691 644
Maintenance of Unspecified Assets				66 867	75 512
Sports and Recreation				12 500	-
<b>Total Contracted Services</b>				<b>3 302 677</b>	<b>2 036 910</b>
<b>33. DEPRECIATION AND AMORTISATION</b>					
Property, Plant and Equipment				7 308 688	9 386 112
Intangible Assets				113 762	494 967
Investment Property carried at cost				6 096	-
Correction of Error - Note 41.11				-	(615 813)
<b>Total Depreciation and Amortisation</b>				<b>7 428 546</b>	<b>9 265 266</b>
<b>34. FINANCE COSTS</b>					
Long-term Borrowings				1 852	4 994
Non-current Provisions				1 342 406	1 005 562
Non-current Employee Benefits				645 161	594 079
Payables				1 868 602	1 657 840
Correction of Error - Note 41.11				-	270 368
<b>Total Finance Costs</b>				<b>3 858 021</b>	<b>3 532 844</b>
Interest Cost of R3 854 208 (2018: R3 527 849) is included in the amounts above.					
<b>35. BULK PURCHASES</b>					
Electricity				8 663 012	7 460 958
Water				1 547 888	1 736 602
<b>Total Bulk Purchases</b>				<b>10 210 900</b>	<b>9 197 561</b>

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	2019 R	2018 R
<b>36. OPERATIONAL COSTS</b>		
Advertising, Publicity and Marketing	42 444	82 668
Audit Fees	3 326 467	2 329 991
Bank Charges, Facility and Card Fees	245 250	242 266
Commission	439 867	380 395
Communication	407 072	393 443
Entertainment	16 644	18 657
Insurance Underwriting	279 026	234 280
Licences	84 352	92 748
Printing, Publications and Books	12 444	56 295
Professional Bodies, Membership and Subscription	518 375	23 841
Remuneration to Ward Committees	178 500	98 000
Skills Development Fund Levy	191 383	182 189
Transport Provided as Part of Departmental Activities	57 890	-
Travel and Subsistence	1 265 456	944 797
Uniform and Protective Clothing	66 638	74 600
Wet Fuel	536 569	516 032
Correction of Error - Note 41.10	-	511 857
<b>Total Operational Costs</b>	<b>7 668 376</b>	<b>6 182 060</b>
<b>37. REVERSAL OF IMPAIRMENT LOSS/(IMPAIRMENT LOSS) ON RECEIVABLES</b>		
Receivables from Exchange Transactions - Note 7	7 624 854	7 200 595
Receivables from Non-exchange Revenue - Note 8	224 901	1 747 075
Correction of Error - Note 41.11	-	(52 168)
<b>Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables</b>	<b>7 849 756</b>	<b>8 895 501</b>
<b>38. GAINS/(LOSS) ON SALE OF FIXED ASSETS</b>		
Investment Property	(65 250)	(1 600)
Property, Plant and Equipment	(10 312)	(4 136)
<b>Total Gains/ (Loss) on Sale of Fixed Assets</b>	<b>(75 562)</b>	<b>(5 736)</b>
<b>39. WATER LOSSES</b>		
Apparent Losses	-	-
Real Losses	2 721 845	3 196 540
Data Transfer and Management Errors	-	-
Unavoidable Annual Real Losses	-	-
<b>Total Water Losses</b>	<b>2 721 845</b>	<b>3 196 540</b>

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<b>40. RECLASSIFICATION OF ITEMS IN THE FINANCIAL STATEMENTS AS A RESULT OF THE IMPLEMENTATION OF mSCOA</b>			
<p>The Municipal Regulations on Standard Chart of Accounts (mSCOA) came into effect on 1 July 2017. The mSCOA Charts are updated annually by National Treasury. The municipality has realigned items in the financial statements with the Item Segment of mSCOA Version 6.2, on which the municipality was required to transacted for periods after 1 July 2018. The result of this process was a reclassification and naming of items in the annual financial statements. The reclassification of 2018 audited amounts can be summarised as follows:</p>			
	<b>Balance previously reported</b>	<b>Adjustments</b>	<b>Restated Balance</b>
<b>Statement of Financial Position</b>			
Property, Plant and Equipment	104 335 127	-	104 335 127
Investment Property	4 974 682	-	4 974 682
Intangible Assets	206 989	-	206 989
Inventory	1 339 531	-	1 339 531
Receivables from Exchange Transactions	2 663 013	-	2 663 013
Receivables from Non-exchange Transactions	372 368	-	372 368
Taxes	4 468 342	-	4 468 342
Cash and Cash Equivalents	933 210	-	933 210
Non-current Provisions	6 524 197	-	6 524 197
Non-current Employee Benefits	6 667 916	-	6 667 916
Consumer Deposits	156 639	-	156 639
Provisions	11 062 902	-	11 062 902
Current Employee Benefits	2 435 923	-	2 435 923
Trade and Other Payables from Exchange Transactions	29 022 037	-	29 022 037
Unspent Transfers and Subsidies	3 215 896	-	3 215 896
Operating Lease Liability	105 804	-	105 804
Current Portion of Long-term Borrowings	28 688	-	28 688
Housing Development Fund	16 155	-	16 155
Revaluation Reserve	28 174 539	-	28 174 539
Accumulated Surplus/(Deficit)	31 882 566	-	31 882 566
		-	
	<b>Balance previously reported</b>	<b>Adjustments</b>	<b>Restated Balance</b>
<b>Statement of Financial Performance</b>			
Property Rates	5 053 365	-	5 053 365
Surcharges and Taxes	22 011	-	22 011
Government Grants and Subsidies	37 639 480	-	37 639 480
Actuarial Gains	283 927	-	283 927
Availability Charges	-	3 893 670	3 893 670
Fines, Penalties and Forfeits	54 832	-	54 832
Interest Earned - Non-exchange Transactions	296 795	-	296 795
Service Charges	16 320 233	(3 893 670)	12 426 563
Sales of Goods and Rendering of Services	26 819	-	26 819
Rental from Fixed Assets	213 825	-	213 825
Interest Earned - external investments	659 591	-	659 591
Interest Earned - Exchange Transactions	2 885 264	-	2 885 264
Licences and Permits	33 688	-	33 688
Agency Services	242 808	-	242 808
Operational Revenue	4 609 852	-	4 609 852
Employee related costs	(20 868 494)	-	(20 868 494)
Remuneration of Councillors	(2 661 775)	-	(2 661 775)
Contracted Services	(2 036 910)	-	(2 036 910)
Depreciation and Amortisation	(9 881 079)	-	(9 881 079)
Actuarial Losses	(19 535)	-	(19 535)
Finance Costs	(3 262 476)	-	(3 262 476)
Bulk Purchases	(9 197 561)	-	(9 197 561)
Inventory Consumed	(1 812 084)	-	(1 812 084)
Operational Costs	(5 670 203)	-	(5 670 203)
Reversal of Impairment Loss/(Impairment Loss) on Receivables	(8 947 669)	-	(8 947 669)
Gains/(Loss) on Sale of Fixed Assets	(5 736)	-	(5 736)
Water Losses	(3 196 540)	-	(3 196 540)
<b>Net Surplus/(Deficit) for the year</b>	<b>782 428</b>	<b>-</b>	<b>782 428</b>

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		2019 R	2018 R
41.	<b>CORRECTION OF ERROR IN TERMS OF GRAP 3</b>		
	The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:		
41.1	<b>Property, Plant and Equipment</b>		
	<b>Balance previously reported</b>	-	104 335 127
	Cost	-	268 563
	Contributed PPE not recognised in prior year - Note 2	-	378 185
	Transfer of Community Assets to Investment Property in periods before 1 July 2017 - Note 2	-	(109 622)
	Accumulated Depreciation	-	6 597 707
	Transfer of Community Assets to Investment Property in periods before 1 July 2017 - Note 2	-	50 426
	Correction of Depreciation on Infrastructure Assets in periods before 1 July 2017 - Note 2	-	5 748 665
	Correction of Depreciation on Community Assets in periods before 1 July 2017 - Note 2	-	466 991
	Correction of Depreciation on Community Assets in 2017/2018 - Note 2	-	34 253
	Correction of Depreciation on Other Assets in periods before 1 July 2017 - Note 2	-	297 371
	<b>Restated Balance</b>	-	<b>111 201 397</b>
	Contributed PPE not recognised in the prior year, correction of depreciation in accordance with condition assessment, and Community Assets transferred to Investment Property.		
41.2	<b>Investment Property</b>		
	<b>Balance previously reported</b>	-	4 974 682
	Cost	-	109 622
	Transfer of Community Assets to Investment Property in periods before 1 July 2017 - Note 3	-	109 622
	Accumulated Depreciation	-	434 914
	Transfer of Community Assets to Investment Property in periods before 1 July 2017 - Note 3	-	(50 426)
	Correction of Depreciation in 2017/2018- Note 3	-	485 340
	<b>Restated Balance</b>	-	<b>5 519 218</b>
	Transfer Community Assets to Investment Property and correction of depreciation in accordance with condition assessment.		
41.3	<b>Intangible Assets</b>		
	<b>Balance previously reported</b>	-	206 989
	Accumulated Amortisation	-	79 553
	Correction of Amortisation in periods before 1 July 2017 - Note 4	-	(16 667)
	Correction of Amortisation in 2017/2018 - Note 4	-	96 220
	<b>Restated Balance</b>	-	<b>286 542</b>
	Correction of Amortisation in accordance with condition assessment.		
41.4	<b>Receivables from Exchange Transactions</b>		
	<b>Balance previously reported</b>	-	2 663 013
	Correction of Provision for Debt Impairment in periods before 1 July 2017 - Note 7	-	16 834
	Correction of Provision for Debt Impairment in 2017/2018 - Note 7	-	69 108
	Correction of Input Tax on Provision for Debt Impairment in 2017/2018 - Note 17	-	(178 408)
	<b>Restated Balance</b>	-	<b>2 570 547</b>
	Correction of consumer accounts.		
41.5	<b>Receivables from Non-Exchange Transactions</b>		
	<b>Balance previously reported</b>	-	372 368
	Correction of Provision for Debt Impairment in periods before 1 July 2017 - Note 8	-	7 972
	Correction of Provision for Debt Impairment in 2017/2018 - Note 8	-	(16 939)
	<b>Restated Balance</b>	-	<b>363 401</b>
	Recalculation of Provision for Debt Impairment.		

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			2019 R	2018 R
<b>41.6 Non-Current Provisions</b>				
Balance previously reported			-	6 524 197
Transfer from Current Provisions - Note 11			-	(6 040 057)
Correction of Rehabilitation Cost of Landfill-sites in periods before 1 July 2017 - Note 11			-	7 908 480
Correction of Rehabilitation Cost of Landfill-sites in 2017/2018 - Note 11			-	270 368
<b>Restated Balance</b>			<b>-</b>	<b>8 662 988</b>
Correction of Rehabilitation Cost of Landfill-sites.				
<b>41.7 Trade and Other Payables from Exchange Transactions</b>				
Balance previously reported			-	29 022 037
Sundry Payables not recognised in 2017/2018 - Note 15			-	511 857
<b>Restated Balance</b>			<b>-</b>	<b>29 533 894</b>
Sundry Payables not recognised in prior years.				
<b>41.8 Taxes</b>				
Balance previously reported			-	4 468 342
Correction of Input Tax on Provision for Debt Impairment in 2017/2018 - Note 17			-	178 408
<b>Restated Balance</b>			<b>-</b>	<b>4 646 751</b>
Correction of Output Taxes in 2016/2017.				
<b>41.9 Housing Development Fund</b>				
Balance previously reported			-	16 155
Write-off Housing Development Fund - Periods before 1 July 2017 - Note 19			-	(16 155)
<b>Restated Balance</b>			<b>-</b>	<b>-</b>
Write-off of Housing Development Fund.				
<b>41.10 Accumulated Surplus/(Deficit) - 1 July 2017</b>				
Write-off Housing Development Fund - Periods before 1 July 2017 - Note 41.7			-	16 155
Correction of Rehabilitation Cost of Landfill-sites in periods before 1 July 2017 - Note 41.4			-	(7 908 480)
Correction of Provision for Debt Impairment in periods before 1 July 2017 - Note 41.5			-	7 972
Correction of Provision for Debt Impairment in periods before 1 July 2017 - Note 41.5			-	16 834
Correction of Amortisation in periods before 1 July 2017 - Note 41.3			-	(16 667)
Correction of Backlog Depreciation on Infrastructure Assets in periods before 1 July 2017 - Note 41.1			-	5 748 665
Correction of Backlog Depreciation on Community Assets in periods before 1 July 2017 - Note 41.1			-	466 991
Correction of Backlog Depreciation on Other Assets in periods before 1 July 2017 - Note 41.1			-	297 371
<b>Total</b>			<b>-</b>	<b>(1 371 158)</b>
<b>41.11 Changes to Statement of Financial Performance</b>				
Movement on operating account as a result of GRAP standards not implemented correctly in prior years:				
	Note	Balance previously reported	Adjustments	Restated Balance
<b>Revenue</b>				
Property Rates		5 053 365	-	5 053 365
Surcharges and Taxes		22 011	-	22 011
Government Grants and Subsidies		37 639 480	-	37 639 480
Contributed Property, Plant and Equipment	41.1	-	378 185	378 185
Actuarial Gains		283 927	-	283 927
Availability Charges		3 893 670	-	3 893 670
Fines, Penalties and Forfeits		54 832	-	54 832
Interest Earned - Non-exchange Transactions		296 795	-	296 795
Licences and Permits from Non-Exchange Transactions		4 482 770	-	4 482 770
Service Charges		12 426 563	-	12 426 563
Sales of goods and rendering of services		26 819	-	26 819
Rental from Fixed Assets		213 825	-	213 825
Interest Earned - External Investments		659 591	-	659 591
Interest Earned - Exchange Transactions		2 885 264	-	2 885 264
Licences and Permits from Exchange Transactions		33 688	-	33 688
Agency Services		242 808	-	242 808
Operational Revenue		127 081	-	127 081
<b>Total</b>		<b>68 342 490</b>	<b>378 185</b>	<b>68 720 675</b>

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	Note	Balance previously reported	Adjustments	Restated Balance
<b>Expenditure</b>				
Employee related costs		(20 868 494)	-	(20 868 494)
Remuneration of Councillors		(2 661 775)	-	(2 661 775)
Bad Debts Written Off		-	-	-
Contracted Services		(2 036 910)	-	(2 036 910)
Depreciation and Amortisation	41.1	(9 881 079)	615 813	(9 265 266)
Actuarial Losses		(19 535)	-	(19 535)
Finance Costs	41.5	(3 262 476)	(270 368)	(3 532 844)
Bulk Purchases		(9 197 561)	-	(9 197 561)
Inventory Consumed		(1 812 084)	-	(1 812 084)
Operational Costs	41.6	(5 670 203)	(511 857)	(6 182 060)
Total		<b>(55 410 116)</b>	<b>(166 412)</b>	<b>(55 576 529)</b>
<b>Gains and Losses</b>				
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value		-	-	-
Reversal of Impairment Loss/(Impairment Loss) on Receivables		(8 947 669)	52 168	(8 895 501)
Gains/(Loss) on Sale of Fixed Assets		(5 736)	-	(5 736)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets		-	-	-
Profit/(Loss) on Fair Value Adjustments		-	-	-
Profit/(Loss) from Discontinued Operations		-	-	-
Water Losses		(3 196 540)	-	(3 196 540)
Total		<b>(12 149 945)</b>	<b>52 168</b>	<b>(12 097 777)</b>
Net Surplus/(Deficit) for the year		<b>782 428</b>	<b>263 942</b>	<b>1 046 370</b>
<b>41.12 Irregular Expenditure for 2018 was also restated. Refer to note 47.3 for more detail.</b>				
			<b>2019</b>	<b>2018</b>
			<b>R</b>	<b>R</b>
<b>42. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS</b>				
Surplus/(Deficit) for the year			(3 538 432)	1 046 370
<b>Adjustments (Cash/Non-Cash) for:</b>				
Depreciation and Amortisation			7 428 546	9 265 266
Loss/(Gain) on Sale of Fixed Assets			75 562	5 736
Impairment Loss/(Reversal of Impairment Loss)			-	-
Contributed Property, Plant and Equipment			-	(378 185)
Government Grants and Subsidies received			33 235 783	31 703 843
Government Grants and Subsidies recognised as revenue			(34 986 758)	(37 639 480)
Contribution to provisions – Non-Current Provisions			1 342 406	1 275 930
Contribution from/to provisions - Non-Current Employee Benefits			1 408 387	1 079 177
Contribution from/to provisions - Non-Current Employee Benefits - Expenditure incurred			(1 263 479)	(255 829)
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial losses			168 759	19 535
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains			(1 333 012)	(283 927)
Contribution from/to - Current Employee Benefits			949 117	142 939
Contribution to provisions – Bad Debt			7 849 756	9 975 590
Operating lease income accrued			-	10 449
Operating Surplus/(Deficit) before changes in working capital			11 336 635	15 967 414
Changes in working capital			2 600 117	(6 183 818)
Increase/(Decrease) in Trade and Other Payables			11 357 083	7 055 288
Increase/(Decrease) in Taxes			(813 731)	(2 270 670)
(Increase)/Decrease in Inventory			398 202	(830 564)
(Increase)/Decrease in Trade Receivables from Exchange Transactions			(7 393 276)	(8 664 533)
(Increase)/Decrease in Receivables from Non-Exchange Transactions			(945 561)	(1 473 339)
<b>Cash generated/(absorbed) by operations</b>			<b>13 936 752</b>	<b>9 783 596</b>
<b>43. CASH AND CASH EQUIVALENTS</b>				
Cash and cash equivalents included in the cash flow statement comprise the following:				
Current Accounts - Note 9			258 287	84 600
Call Deposits and Investments - Note 9			935 603	848 510
Cash Floats - Note 9			100	100
<b>Total cash and cash equivalents</b>			<b>1 193 990</b>	<b>933 210</b>

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	2019 R	2018 R
<b>44. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES</b>		
Cash and Cash Equivalents - Note 43	1 193 990	933 210
<b>Less:</b>	(1 464 921)	(3 215 896)
Unspent Transfers and Subsidies - Note 16	(1 464 921)	(3 215 896)
Net cash resources available for internal distribution	(270 931)	(2 282 687)
Allocated to:		
Capital Replacement Reserve	-	-
Employee Benefits Reserve	-	-
Social Contribution Reserve	-	-
Non-Current Provisions Reserve	-	16 155
Valuation Reserve	-	-
<b>Resources available for working capital requirements</b>	<b>(270 931)</b>	<b>(2 266 532)</b>
<b>45. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION</b>		
Long-term Liabilities - Note 10	-	28 688
Used to finance property, plant and equipment - at cost	-	(28 688)
	-	-
Cash set aside for the repayment of long-term liabilities	-	-
<b>Cash invested for repayment of long-term liabilities</b>	<b>-</b>	<b>-</b>
Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.		
<b>46. BUDGET INFORMATION</b>		
<b>46.1 Explanation of variances between approved and final budget amounts</b>		
The reasons for the variances between the approved and final budgets are mainly due to virements, and the negative effect of the abnormal high electricity and solid waste tariff increases on consumer debtors, the decrease in the capital expenditure, and the reprioritising of capital projects, with the corresponding changes to funding sources.		
<b>Explanation of variances greater than 10%: Final Budget and Actual Amounts</b>		
<b>46.2 Statement of Financial Position</b>		
<b>46.2.1 Current Assets</b>		
Cash		
<i>Lower cash levels due to cash flow constraints.</i>		
Call Investment Deposits		
<i>Government Grants not spent on year-end.</i>		
Other Debtors		
<i>Increase in VAT Receivable on year-end.</i>		
Inventory		
<i>Higher level of material and supplies on year-end than budgeted for.</i>		
<b>46.2.2 Non-Current Assets</b>		
Investment Property		
<i>Reconstructed Asset Register as result of prior year audit finding.</i>		
Property, Plant and Equipment		
<i>Reconstructed Asset Register as result of prior year audit finding.</i>		
Intangible Assets		
<i>Reconstructed Asset Register as result of prior year audit finding.</i>		
<b>46.2.3 Current Liabilities</b>		
Consumer Deposits		
<i>Increase in New Consumers.</i>		
Trade and Other Payables		
<i>Municipality experience difficulty to pay trade creditors.</i>		



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	Provisions	
	<i>Increase in short-term portion of Rehabilitation Cost of Landfill-sites.</i>	
<b>46.2.4</b>	<b>Net Assets</b>	
	Accumulated Surplus/(Deficit)	
	<i>Net result of all differences between budget and actual amounts.</i>	
	<b>Statement of Financial Performance</b>	
<b>46.2.6</b>	<b>Revenue</b>	
	Service Charges - Sanitation Revenue	
	<i>Increase in Revenue Forgone to Indigents.</i>	
	Other Revenue	
	<i>Discount received on Auditor-General account and reclassification of revenue.</i>	
<b>46.2.6</b>	<b>Expenditure</b>	
	Employee Related Costs	
	<i>Non-filling of vacant posts due to cash flow challenges.</i>	
	Depreciation and Asset Impairment	
	<i>Increase in depreciation due to completion of capital under construction projects.</i>	
	Finance Charges	
	<i>Increase in finance component of Provision for Rehabilitation of landfill-sites.</i>	
	Other Materials	
	<i>Implementing of strict budget control as a result of cash flow challenges.</i>	
	Contracted Services	
	<i>Implementing of strict budget control as a result of cash flow challenges.</i>	
	<b>Cash Flow Statement</b>	
<b>46.2.7</b>	<b>Net Cash from Operating Activities</b>	
	Taxation	
	<i>Increase in Provision of Debt Impairment as a result of non-payment by consumers.</i>	
	Service Charges	
	<i>Increase in Provision of Debt Impairment as a result of non-payment by consumers.</i>	
	Finance costs	
	<i>Interest paid to suppliers.</i>	
<b>46.2.8</b>	<b>Net Cash from Investing Activities</b>	
	Capital Assets	
	<i>Decrease in spending on capital projects as a result of cash flow constraints.</i>	
<b>46.2.9</b>	<b>Net Cash from Financing Activities</b>	
	Increase/(Decrease) in Consumer Deposits	
	<i>Increase in Consumer Deposits.</i>	

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			2019 R	2018 R
47.	UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED			
47.1	<u>Unauthorised expenditure</u>			
Reconciliation of unauthorised expenditure:				
Opening balance			16 716 652	10 140 323
Correction of prior period error			-	-
Restated opening balance			16 716 652	10 140 323
Unauthorised expenditure current year - operational			2 806 682	6 556 075
Unauthorised expenditure current year - capital			-	20 254
Written off by Council			-	-
Current			-	-
Prior Period			-	-
Transfer to receivables for recovery			-	-
Current			-	-
Prior Period			-	-
Unauthorised expenditure awaiting authorisation			19 523 334	16 716 652
Unauthorised expenditure can be summarised as follow:				
Incident	Disciplinary steps/criminal proceeding			
Over expenditure of operational budget - 2017	Under Investigation		10 140 323	10 140 323
Over expenditure of approved operating budget - 2018	Under Investigation		6 556 075	6 556 075
Over expenditure of approved capital budget - 2018	Under Investigation		20 254	20 254
Over expenditure of approved budget - 2019	None		2 806 682	-
			19 523 334	16 716 652
The over expenditure incurred by municipal departments on their operating budgets during the year is attributable to the following categories:				
Non-cash			2 806 682	6 556 075
Cash			-	-
			2 806 682	6 556 075
<u>Analysed as follows: Non-cash</u>				
Depreciation and Amortisation			-	1 258 404
Impairment Loss on Receivables			2 806 682	5 297 671
			2 806 682	6 556 075
The overspending of the Budget per municipal vote can be summarised as follows:				
	2019 Actual R	2019 Final Budget R	2019 Variance R	2019 Unauthorised R
<u>Unauthorised expenditure current year - operating</u>				
Municipal Manager	7 672 650	8 603 739	(931 089)	-
Finance	7 673 981	8 812 529	(1 138 548)	-
Corporate Services	10 222 355	12 353 965	(2 131 610)	-
Infrastructure Development	41 824 594	39 017 912	2 806 682	2 806 682
Economic Development	907 992	1 503 761	(595 769)	-
	68 301 572	70 291 906	(1 990 334)	2 806 682
	2019 Actual R	2019 Final Budget R	2019 Variance R	2019 Unauthorised R
<u>Unauthorised expenditure current year - capital</u>				
Municipal Manager	98 876	200 500	(101 624)	-
Finance	-	-	-	-
Corporate Services	-	-	-	-
Infrastructure Development	13 570 348	33 883 486	(20 313 138)	-
Economic Development	-	-	-	-
	13 669 224	34 083 986	(20 414 762)	-

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		2019 R	2018 R
47.2	<b><u>Fruitless and wasteful expenditure</u></b>		
Reconciliation of fruitless and wasteful expenditure:			
Opening balance		3 005 928	1 348 088
Correction of prior period error		-	-
Restated opening balance		3 005 928	1 348 088
Fruitless and wasteful expenditure current year		1 482 055	1 657 840
Written off by Council		-	-
Current		-	-
Prior Period		-	-
Transfer to receivables for recovery - not condoned		-	-
Current		-	-
Prior Period		-	-
Fruitless and wasteful expenditure awaiting condonement		4 487 983	3 005 928
Fruitless and wasteful expenditure can be summarised as follow:			
<b>Incident</b>	<b>Disciplinary steps/criminal proceeding</b>		
Interest on overdue accounts - 2017	Under Investigation	1 348 088	1 348 088
Interest on overdue accounts - 2018	Under Investigation	1 657 840	1 657 840
Interest on overdue accounts - 2019	None	1 482 055	-
		4 487 983	3 005 928
47.3	<b><u>Irregular expenditure</u></b>		
Reconciliation of irregular expenditure:			
Opening balance		12 089 538	-
Correction of prior period error		-	-
Restated opening balance		12 089 538	-
Irregular expenditure current year		5 566 454	11 842 220
Correction of Error		-	247 318
Expenditure authorised i.t.o. Section 32 of MFMA		-	-
Current		-	-
Prior Period		-	-
Written off by Council		(5 566 454)	-
Current		(5 566 454)	-
Prior Period		-	-
Transfer to receivables for recovery - not condoned		-	-
Current		-	-
Prior Period		-	-
Irregular expenditure awaiting further action		12 089 538	12 089 538
Irregular expenditure can be summarised as follow:			
<b>Incident</b>	<b>Disciplinary steps/criminal proceeding</b>		
Non compliance with SCM Policy - Quotations was not for the same type of goods.	To be investigated	68 286	68 286
Non compliance with SCM Policy - 3 Quotations was not obtained.	To be investigated	32 250	32 250
Non compliance with SCM Policy - No tax Clearance certificate.	To be investigated	80 000	80 000
Non compliance with SCM Policy - No Bid Specification Committee.	To be investigated	11 624 587	11 624 587
Non compliance with SCM Policy - SCM processes avoided.	To be investigated	284 416	284 416
		12 089 538	12 089 538

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		2019 R	2018 R																																												
47.3.1	Further instances of Irregular Expenditure that might have resulted from non-compliance with the supply chain management processes are under investigation to determine the full extent of the amount. These expenditure can be summarised as follows:																																														
	<table><tr><th>Incident</th><th>Disciplinary steps/criminal proceeding</th></tr><tr><td>Non compliance with SCM Policy - Three quotations not obtained from suppliers</td><td>To be investigated</td></tr><tr><td>Non compliance with SCM Policy - No declarations of interest submitted (MDB 4)</td><td>To be investigated</td></tr><tr><td>Non compliance with SCM Policy - Procurement of goods split into parts</td><td>To be investigated</td></tr><tr><td>Non compliance with SCM Policy - No Bid Specification Committee</td><td>To be investigated</td></tr><tr><td>Non compliance with SCM Policy - Processes not followed</td><td>To be investigated</td></tr><tr><td>Non compliance with SCM Policy - Section 32 appointments</td><td>To be investigated</td></tr><tr><td>Non compliance with SCM Policy - Bid Adjudication Committee did not consist of at least 4 senior managers</td><td>To be investigated</td></tr><tr><td>Non compliance with Supply Chain Management Policy - Preferential Procurement Policy Framework not applied.</td><td>To be investigated</td></tr><tr><td>Payments to councillors in excess of upper limits</td><td>To be investigated</td></tr><tr><td>Overtime not authorised</td><td>To be investigated</td></tr></table>	Incident	Disciplinary steps/criminal proceeding	Non compliance with SCM Policy - Three quotations not obtained from suppliers	To be investigated	Non compliance with SCM Policy - No declarations of interest submitted (MDB 4)	To be investigated	Non compliance with SCM Policy - Procurement of goods split into parts	To be investigated	Non compliance with SCM Policy - No Bid Specification Committee	To be investigated	Non compliance with SCM Policy - Processes not followed	To be investigated	Non compliance with SCM Policy - Section 32 appointments	To be investigated	Non compliance with SCM Policy - Bid Adjudication Committee did not consist of at least 4 senior managers	To be investigated	Non compliance with Supply Chain Management Policy - Preferential Procurement Policy Framework not applied.	To be investigated	Payments to councillors in excess of upper limits	To be investigated	Overtime not authorised	To be investigated	<table><tr><td>98 411</td><td>-</td></tr><tr><td>10 083</td><td>-</td></tr><tr><td>242 545</td><td></td></tr><tr><td>2 478 361</td><td></td></tr><tr><td>254 822</td><td></td></tr><tr><td>1 265 933</td><td></td></tr><tr><td>135 130</td><td></td></tr><tr><td>382 068</td><td>-</td></tr><tr><td>117 738</td><td>-</td></tr><tr><td>894 996</td><td></td></tr><tr><td>5 880 089</td><td>-</td></tr></table>	98 411	-	10 083	-	242 545		2 478 361		254 822		1 265 933		135 130		382 068	-	117 738	-	894 996		5 880 089	-	
Incident	Disciplinary steps/criminal proceeding																																														
Non compliance with SCM Policy - Three quotations not obtained from suppliers	To be investigated																																														
Non compliance with SCM Policy - No declarations of interest submitted (MDB 4)	To be investigated																																														
Non compliance with SCM Policy - Procurement of goods split into parts	To be investigated																																														
Non compliance with SCM Policy - No Bid Specification Committee	To be investigated																																														
Non compliance with SCM Policy - Processes not followed	To be investigated																																														
Non compliance with SCM Policy - Section 32 appointments	To be investigated																																														
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Non compliance with Supply Chain Management Policy - Preferential Procurement Policy Framework not applied.	To be investigated																																														
Payments to councillors in excess of upper limits	To be investigated																																														
Overtime not authorised	To be investigated																																														
98 411	-																																														
10 083	-																																														
242 545																																															
2 478 361																																															
254 822																																															
1 265 933																																															
135 130																																															
382 068	-																																														
117 738	-																																														
894 996																																															
5 880 089	-																																														
48.	ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT																																														
48.1	Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)																																														
	Opening balance	1 250 000	750 000																																												
	Council subscriptions	500 000	500 000																																												
	Amount paid - current year	-	-																																												
	Amount paid - previous years	-	-																																												
	Balance unpaid (included in creditors)	1 750 000	1 250 000																																												
48.2	Audit fees - [MFMA 125 (1)(c)]																																														
	Opening balance	2 485 064	4 732 403																																												
	Correction of prior period error	-	-																																												
	Restated opening balance	2 485 064	4 732 403																																												
	Current year audit fee	4 100 930	3 073 415																																												
	External Audit - Auditor-General	4 100 930	3 073 415																																												
	Internal Audit	-	-																																												
	Audit Committee	-	-																																												
	Amount paid - current year	(3 587 696)	(4 960 810)																																												
	Amount paid - previous year	-	(359 944)																																												
	Balance unpaid (included in creditors)	2 998 298	2 485 064																																												
48.3	VAT - [MFMA 125 (1)(c)]																																														
	Opening balance	1 064 202	(72 190)																																												
	Correction of prior period error	-	-																																												
	Restated opening balance	1 064 202	(72 190)																																												
	Amounts received - previous year	(1 064 202)	-																																												
	Amounts received - current year	405 136	1 320 437																																												
	Amount paid - current year	(89 816)	(246 874)																																												
	Amount paid - previous year	-	62 829																																												
	Closing balance	315 320	1 064 202																																												
	VAT is payable on the receipt basis. Only once payment is received from the debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year.																																														
48.4	PAYE and UIF - [MFMA 125 (1)(c)]																																														
	Opening balance	257 159	215 544																																												
	Correction of prior period error	-	-																																												
	Restated opening balance	257 159	215 544																																												
	Current year payroll deductions	3 861 688	3 354 836																																												
	Amount paid - current year	(3 542 137)	(3 313 221)																																												
	Amount paid - previous year	(257 159)	-																																												
	Balance unpaid (included in creditors)	319 551	257 159																																												

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						2019 R	2018 R
48.5	<b>Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]</b>						
	Opening balance					486 738	283 456
	Correction of prior period error					-	-
	Restated opening balance					486 738	283 456
	Current year payroll deductions and Council Contributions					4 128 308	3 832 974
	Amount paid - current year					(3 781 873)	(3 348 193)
	Amount paid - previous year					(486 738)	(281 499)
	<b>Balance unpaid (included in creditors)</b>					<b>346 436</b>	<b>486 738</b>
48.6	<b>Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]</b>						
	The following Councillors had arrear accounts for more than 90 days as at 30 June 2019:						
						<b>Outstanding more than 90 days</b>	
	P.A. van Heerden					9 343	
	S. Quincy					967	
	A.A. van Wyk					11 360	
	S. Brandt					15 504	
	B. Josop					8 586	
48.7	<b><u>Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005</u></b>						
	Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b)						
	<b><u>30 June 2019</u></b>						
				<b><u>Type of Deviation</u></b>			
		<b>Amount</b>	<b>Single Supplier</b>	<b>Impossible</b>	<b>Impractical</b>	<b>Emergency</b>	
	July	-	-	-	-	-	
	August	-	-	-	-	-	
	September	-	-	-	-	-	
	October	-	-	-	-	-	
	November	-	-	-	-	-	
	December	-	-	-	-	-	
	January	-	-	-	-	-	
	February	-	-	-	-	-	
	March	-	-	-	-	-	
	April	-	-	-	-	-	
	May	-	-	-	-	-	
	June	-	-	-	-	-	
		-	-	-	-	-	
		-	-	-	-	-	
	<b><u>30 June 2018</u></b>						
				<b><u>Type of Deviation</u></b>			
		<b>Amount</b>	<b>Single Supplier</b>	<b>Impossible</b>	<b>Impractical</b>	<b>Emergency</b>	
	July	-	-	-	-	-	
	August	23 199	-	-	23 199	-	
	September	30 175	-	-	30 175	-	
	October	6 226	6 226	-	-	-	
	November	28 105	-	-	28 105	-	
	December	18 572	-	-	18 572	-	
	January	24 280	-	-	24 280	-	
	February	133 970	-	-	133 970	-	
	March	33 165	12 556	-	20 609	-	
	April	10 257	5 257	-	5 000	-	
	May	7 954	7 954	-	-	-	
	June	348 733	29 476	-	319 257	-	
		664 636	61 469	-	603 167	-	
48.8	<b>BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT</b>						
	Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.						
48.9	<b><u>Material losses</u></b>						
	<b>Electricity distribution losses</b>						
	Percentage lost during distribution					12.00%	10.71%
	Distribution loss (Rand Value)					950 966	638 166
	<i>The reason for the increase in electricity losses is due to electricity theft on pre-paid meters and distribution losses</i>						

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			2019 R	2018 R
<b>Water distribution losses</b>				
Percentage lost during distribution			58.00%	58.00%
Distribution loss (Rand Value)			2 721 695	3 196 540
Normal pipe bursts and field leakages are responsible for water losses.				
49.	<b>FINANCIAL RISK MANAGEMENT</b>			
The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.				
<b>(a) Foreign Exchange Currency Risk</b>				
The municipality does not engage in foreign currency transactions.				
<b>(b) Price Risk</b>				
The municipality is not exposed to price risk.				
<b>(c) Interest Rate Risk</b>				
As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.				
The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.				
The municipality did not hedge against any interest rate risks during the current year.				
			2019 R	2018 R
The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:				
1% (2018: 1%) Increase in interest rates			11 939	9 044
1% (2018: 1%) Decrease in interest rates			(11 939)	(9 044)
<b>(d) Credit Risk</b>				
Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.				
Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.				
Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.				
All rates and services are payable within 30 days from invoice date. Refer to note 7 and 8 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.				
		2019 %	2019 R	2018 %
<u>Non-exchange Receivables</u>				2018 R
Rates		100.00%	4 192 156	4 035 332
<u>Exchange Receivables</u>				
Electricity		3.47%	1 763 056	1 583 099
Water		77.84%	39 579 787	32 651 954
Property Rentals		0.42%	211 358	153 662
Waste Management		8.67%	4 410 023	3 350 185
Waste Water Management		9.20%	4 679 685	3 574 360
Other		0.40%	203 628	997 273
		100.00%	50 847 537	42 310 533

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No receivables are pledged as security for financial liabilities.			
Due to short term nature of trade and other receivables the carrying value disclosed in note 7 and 8 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.			
The provision for bad debts could be allocated between the different classes of receivables as follow:			
	2019 %	2019 R	2018 %
<u>Non-exchange Receivables</u>			2018 R
Rates	7.76%	4 078 982	8.84%
<u>Exchange Receivables</u>			
Services	92.24%	48 508 569	91.16%
	100.00%	52 587 551	100.00%
			43 594 067
<u>Ageing of amounts past due but not impaired are as follow:</u>		Exchange Receivables	Non- exchange Receivables
<b>2019</b>			
1 month past due		1 276 262	94 211
2+ months past due		1 062 706	18 964
		2 338 968	113 175
<b>2018</b>			
1 month past due		938 408	734 115
2+ months past due		1 632 138	(552 864)
		2 570 546	181 251
The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.			
The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.			
The banks utilised by the municipality for current and non-current investments are all listed on the JSE (Standard Bank Limited). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.			
The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.			
Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.			
	2019 R	2018 R	
Financial assets exposed to credit risk at year end are as follows:			
Receivables from exchange transactions	50 847 537	42 310 533	
Receivables from non-exchange transactions	5 163 041	4 217 481	
Cash and Cash Equivalents	1 193 890	933 110	
	57 204 469	47 461 124	
<b>(e) Liquidity Risk</b>			
Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.			
The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.			
The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.			

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		Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
<b>2019</b>					
Long-term Liabilities		-	-	-	-
Trade and Other Payables		40 890 977	-	-	-
		<u>40 890 977</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<b>Less than 1 year</b>	<b>Between 1 and 5 years</b>	<b>Between 5 and 10 years</b>	<b>More than 10 years</b>
<b>2018</b>					
Long-term Liabilities		30 540	-	-	-
Trade and Other Payables		29 533 894	-	-	-
		<u>29 564 434</u>	<u>-</u>	<u>-</u>	<u>-</u>
				<b>2019 R</b>	<b>2018 R</b>
<b>50. FINANCIAL INSTRUMENTS</b>					
In accordance with GRAP104.45 the financial liabilities and assets of the municipality are classified as follows:					
<b>50.1 Financial Assets</b>	<b>Classification</b>				
<b>Receivables from Exchange Transactions</b>					
Electricity	Financial Instruments at amortised cost		1 763 056	1 583 099	
Water	Financial Instruments at amortised cost		39 579 787	32 651 954	
Property Rentals	Financial Instruments at amortised cost		211 358	153 662	
Waste Management	Financial Instruments at amortised cost		4 410 023	3 350 185	
Waste Water Management	Financial Instruments at amortised cost		4 679 685	3 574 360	
Other Arrears	Financial Instruments at amortised cost		203 628	997 273	
<b>Cash and Cash Equivalents</b>					
Bank Balances	Financial Instruments at amortised cost		258 287	84 600	
Call Deposits	Financial Instruments at amortised cost		935 603	848 510	
<b>Total Financial Assets</b>			<b>52 041 427</b>	<b>43 243 643</b>	
<b>SUMMARY OF FINANCIAL ASSETS</b>					
<b>Financial Instruments at amortised cost:</b>					
Receivables from Exchange Transactions	Electricity		1 763 056	1 583 099	
Receivables from Exchange Transactions	Water		39 579 787	32 651 954	
Receivables from Exchange Transactions	Property Rentals		211 358	153 662	
Receivables from Exchange Transactions	Waste Management		4 410 023	3 350 185	
Receivables from Exchange Transactions	Waste Water Management		4 679 685	3 574 360	
Receivables from Exchange Transactions	Other Arrears		203 628	997 273	
Cash and Cash Equivalents	Bank Balances		258 287	84 600	
Cash and Cash Equivalents	Call Deposits		935 603	848 510	
<b>Total Financial Assets</b>			<b>52 041 427</b>	<b>43 243 643</b>	
<b>50.2 Financial Liabilities</b>	<b>Classification</b>				
<b>Long-term Liabilities</b>					
Capitalised Lease Liability	Financial Instruments at amortised cost		-	28 688	
<b>Trade and Other Payables</b>					
Trade Payables	Financial Instruments at amortised cost		33 433 189	23 672 223	
Advance Payments	Financial Instruments at amortised cost		121 527	139 933	
Control, Clearing and Interface Accounts	Financial Instruments at amortised cost		830 081	892 675	
Other Payables	Financial Instruments at amortised cost		663 693	452 375	
Retentions	Financial Instruments at amortised cost		806 355	280 344	
			<u>35 854 846</u>	<u>25 466 239</u>	
<b>SUMMARY OF FINANCIAL LIABILITIES</b>					
<b>Financial instruments at amortised cost:</b>					
Long-term Liabilities	Capitalised Lease Liability		-	28 688	
Trade and Other Payables	Trade Payables		33 433 189	23 672 223	
Trade and Other Payables	Advance Payments		121 527	139 933	
Trade and Other Payables	Control, Clearing and Interface Accounts		830 081	892 675	
Trade and Other Payables	Other Payables		663 693	452 375	
Trade and Other Payables	Retentions		806 355	280 344	
			<u>35 854 846</u>	<u>25 466 239</u>	



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	2019 R	2018 R
<b>51. STATUTORY RECEIVABLES</b>		
In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:		
<b>Taxes</b>		
VAT Receivable	314 902	-
<b>Receivables from Non-Exchange Transactions</b>	4 192 156	4 035 332
Rates	4 192 156	4 035 332
<b>Total Statutory Receivables (before provision)</b>	<b>4 507 058</b>	<b>4 035 332</b>
<b>Less:</b> Provision for Debt Impairment	(4 070 014)	(3 845 113)
<b>Total Statutory Receivables (after provision)</b>	<b>437 044</b>	<b>190 219</b>
Statutory Receivables arises from the following legislation:		
Taxes - Value Added Tax Act (No 89 of 1991)		
Rates - Municipal Properties Rates Act (No 6 of 2004)		
<b>(Rates): Ageing</b>		
Current (0 - 30 days)	242 951	105 681
31 - 60 Days	94 211	734 115
61 - 90 Days	75 094	53 973
+ 90 Days	3 779 900	3 141 562
<b>Total</b>	<b>4 192 156</b>	<b>4 035 332</b>
<b>Reconciliation of Provision for Debt Impairment</b>		
Balance at beginning of year	3 845 113	2 098 038
Contribution to provision	224 901	1 747 075
Reversal of provision	-	8 968
Balance at end of year	<b>4 070 014</b>	<b>3 845 113</b>
<b>Ageing of amounts past due but not impaired:</b>		
1 month past due	94 211	734 115
2+ months past due	18 964	(552 864)
	<b>113 175</b>	<b>181 251</b>
<b>Interest Received from Statutory Receivables</b>		
Taxes	358 180	296 795
	<b>358 180</b>	<b>296 795</b>
Interest is levied at a rate determined by the council on outstanding rates amounts.		
<b>52. IN-KIND DONATIONS AND ASSISTANCE</b>		
The municipality did not receive any in-kind donations or assistance during the year under review.		
<b>53. PRIVATE PUBLIC PARTNERSHIPS</b>		
Council has not entered into any private public partnerships during the financial year.		
<b>54. CONTINGENT LIABILITY</b>		
Council has the following contingent liability at the end of the financial year 2018/19:		
The Municipality has the following claims against them in terms of the Fencing Act:		
AMJ Roux	135 000	135 000
	<b>135 000</b>	<b>135 000</b>

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<b>55. RELATED PARTIES</b>	Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.					
<b>55.1 Related Party Transactions</b>						
	<b>Rates</b>	<b>Service Charges</b>	<b>Other</b>	<b>Interest</b>	<b>Outstanding Balance</b>	<b>Travelling</b>
<b>Year ended 30 June 2019</b>						
Councillors						
SS Brandt	6 170	5 764	-	1 617	18 946	9 282
AA van Wyk	-	5 445	-	1 104	14 106	16 459
S April	253	11 520	-	-	1 784	5 592
PA van Heerden	-	6 420	-	965	11 731	168 548
B. Josop	-	4 925	-	590	10 245	51 358
S Quincy	-	4 523	-	70	2 593	5 250
EP Cloete	-	-	-	-	-	63 188
	<b>6 423</b>	<b>38 597</b>	<b>-</b>	<b>4 346</b>	<b>59 404</b>	<b>319 677</b>
Municipal Manager and Section 57 Employees						
OJ Isaacs	-	-	-	-	-	127 689
PJ van der Merwe	7 178	11 344	-	6	2 850	9 024
	<b>7 178</b>	<b>11 344</b>	<b>-</b>	<b>6</b>	<b>2 850</b>	<b>136 713</b>
	<b>Rates</b>	<b>Service Charges</b>	<b>Other</b>	<b>Interest</b>	<b>Outstanding Balance</b>	<b>Travelling</b>
<b>Year ended 30 June 2018</b>						
Councillors						
SS Brandt	5 499	10 518	1 590	-	16 068	8 831
AA van Wyk	-	5 047	1 265	-	15 256	11 154
S April	239	11 345	-	-	770	5 342
PA van Heerden	-	5 891	1 115	-	13 346	118 294
AS Rooi	-	-	-	-	-	43 231
S Quincy	-	3 905	22	-	-	6 111
EP Cloete	-	-	-	-	-	50 339
	<b>5 738</b>	<b>36 706</b>	<b>3 992</b>	<b>-</b>	<b>45 440</b>	<b>243 302</b>
Municipal Manager and Section 57 Employees						
OJ Isaacs	-	-	-	-	-	125 780
PJ van der Merwe	6 775	5 157	39	-	1 286	8 299
	<b>6 775</b>	<b>5 157</b>	<b>39</b>	<b>-</b>	<b>1 286</b>	<b>134 079</b>
The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.						
<u>Related party relationship</u>						
Councilors and management comprises of those persons responsible for planning, directing and controlling the activities of the Municipality.						
<b>55.2 Related Party Loans</b>	Since 1 July 2004 loans to councillors and senior management employees are not permitted.					
<b>55.3 Compensation of key management personnel</b>	The compensation of key management personnel is set out in note 30 to the Annual Financial Statements.					
<b>55.4 Current Employee Benefits</b>	The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on :					
<b>Year ended 30 June 2019</b>						
<b>Name</b>	<b>Position</b>	<b>Staff Leave Obligations</b>	<b>Staff Bonus Obligations</b>	<b>Travel and Subsistence paid</b>		
O.J. Isaacs	Municipal Manager	-	-	127 689		
P.J. van der Merwe	Chief Financial Officer	-	31 659	9 024		
Vacant	Head: Technical Services	-	-	-		
Vacant	Head: Corporate Services	-	-	-		
		<b>-</b>	<b>31 659</b>	<b>136 713</b>		

# APPENDICES

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on :

**Year ended 30 June 2018**

Name	Position	Staff Leave Obligations	Staff Bonus Obligations	Travel and Subsistence paid
O.J. Isaacs	Municipal Manager	181 910	-	125 780
P.J. van der Merwe	Chief Financial Officer	-	29 588	8 299
Vacant	Head: Technical Services	-	-	-
Vacant	Head: Corporate Services	-	-	-
		<b>181 910</b>	<b>29 588</b>	<b>134 079</b>

The comparative information relating to current employee benefits, travel and subsistence and provision for debt impairment have been restated due to an error identified in the financial statements regarding amounts disclosed 30 June 2018.

**2019  
R**      **2018  
R**

## 55.5 Other related party transactions

The following purchases were made during the year where Councillors or staff have an interest:

Company Name	Related Party	Service Capacity	Relationship		
April Konstruksie (Pty) Ltd	A van Wyk	Councillor	A van Wyk is a director of a related company J2K Construction (Pty) Ltd	18 000	-
				<b>18 000</b>	<b>-</b>

## 56. FINANCIAL SUSTAINABILITY

The extremely high cost associated with the Delivery of Basic Services and Infrastructure needs to communities due to the vast distances between several settlements coupled with the social-economic profile (high unemployment rate) of Khai-Ma communities resulted in a serious risk for Khai-Ma Municipality's going concern.

Unless sustainable job creation is achieved, Khai-Ma Municipality will not be able to function as a going concern without Government Grants and Subsidies.

The municipality is experiencing difficulty to settle its current liabilities as its net current asset position is insufficient. The current liabilities exceeds the current assets with R46 014 321 (2018: R42 726 365).

The municipality have budgeted for a operating deficit of R13 592 305 for the 2019/2020 financial year, and R14 308 750 and R14 933 346 for the 2020/2021 and 2021/2022 years respectively. The municipality has also budgeting for negative cash flows of R19 523 228 during 2019/2020, and R18 596 577 and R14 258 280 for 2020/2021 and 2021/2022 respectively.

The municipality has adjusted their budget during October 2019 and budgeted for a operating profit of R11 672 000 for the 2019/2020 financial year, and R10 029 000 and R11 248 000 for the 2020/2021 and 2021/2022 years respectively. The municipality has also budgeting for positive cash flows of R45 000 during 2019/2020, and R4 412 000 and R9 551 000 for 2020/2021 and 2021/2022 respectively.

In spite of aforementioned, management has prepared the Annual Financial Statements on the Going Concern Basis.

## 57. EVENTS AFTER REPORTING PERIOD

No events after the reporting date were identified by management that will effect the operations of the municipality or the results of those operations significantly.

# APPENDICES

APPENDIX A								
KHAI-MA MUNICIPALITY								
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2019								
EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2018	Correction of Error	Received during the period	Redeemed written off during the period	Balance at 30 June 2019
LEASE LIABILITY								
Office Equipment	Various	Various	30/06/2019	28 688	-	-	(28 688)	-
<b>Total Lease Liabilities</b>				28 688	-	-	(28 688)	-
<b>TOTAL EXTERNAL LOANS</b>				28 688	-	-	(28 688)	-

# APPENDICES

APPENDIX B						
KHAI-MA MUNICIPALITY						
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019						
GENERAL FINANCE STATISTIC CLASSIFICATIONS						
2018 Actual Income R	2018 Actual Expenditure R	2018 Surplus/ (Deficit) R		2019 Actual Income R	2019 Actual Expenditure R	2019 Surplus/ (Deficit) R
			<b>Governance and Administration</b>			
16 391 010	(7 605 873)	8 785 136	Executive and council	17 444 416	(7 665 174)	9 779 242
13 115 782	(16 175 854)	(3 060 072)	Finance and administration	12 170 878	(15 537 234)	(3 366 356)
-	-	-	Internal audit	-	-	-
			<b>Community and Public Safety</b>			
813 049	(1 373 619)	(560 570)	Community and social services	698 546	(1 774 381)	(1 075 836)
3 343 792	(419 021)	2 924 770	Sport and recreation	2 126 044	(310 667)	1 815 377
-	-	-	Public safety	-	-	-
-	-	-	Housing	-	-	-
-	-	-	Health	-	-	-
			<b>Economic and Environmental Services</b>			
-	(842 954)	(842 954)	Planning and development	-	(907 992)	(907 992)
1 238 025	(2 233 618)	(995 592)	Road transport	46 663	(1 506 855)	(1 460 193)
-	-	-	Environmental protection	-	-	-
			<b>Trading Services</b>			
8 628 536	(15 940 066)	(7 311 530)	Energy sources	10 020 356	(13 634 960)	(3 614 604)
21 925 637	(11 718 170)	10 207 467	Water management	17 813 990	(18 201 036)	(387 046)
1 538 331	(2 680 952)	(1 142 621)	Waste water management	4 075 437	(2 587 555)	1 487 881
1 324 656	(8 282 321)	(6 957 664)	Waste management	1 531 064	(7 339 970)	(5 808 906)
-	-	-	<b>Other</b>	-	-	-
68 318 819	(67 272 449)	1 046 370	Sub Total	65 927 393	(69 465 825)	(3 538 432)
-	-	-	Less Inter-Departmental Charges	-	-	-
68 318 819	(67 272 449)	1 046 370	<b>Total</b>	65 927 393	(69 465 825)	(3 538 432)
		1 046 370				(3 538 432)

# APPENDICES

APPENDIX C						
KHAI-MA MUNICIPALITY						
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019						
MUNICIPAL VOTES CLASSIFICATIONS						
2018 Actual Income R	2018 Actual Expenditure R	2018 Surplus/ (Deficit) R		2019 Actual Income R	2019 Actual Expenditure R	2019 Surplus/ (Deficit) R
			<b>Municipal Manager</b>			
1 486 000	(4 410 863)	(2 924 863)	Council and General	1 618 476	(4 274 678)	(2 656 202)
14 905 010	(3 195 011)	11 709 999	Municipal Manager	15 833 416	(3 397 972)	12 435 444
			<b>Finance</b>			
6 505 593	(4 748 850)	1 756 743	Chief Financial Officer	4 949 341	(6 311 707)	(1 362 366)
5 350 161	(1 755 683)	3 594 477	Assessment Rates	5 668 743	(777 554)	4 891 189
-	-	-	Internal Auditor	-	-	-
-	(463 481)	(463 481)	Other Subsidies	-	(507 097)	(507 097)
213 825	(1 421 519)	(1 207 694)	Property Services	43 003	-	43 003
335 323	(59 280)	276 043	Vehicle Licencing and Testing	286 590	(77 623)	208 967
			<b>Corporate Services</b>			
263	(170 355)	(170 092)	Cemetery	-	(200 804)	(200 804)
1 046 204	(7 930 545)	(6 884 341)	Corporate Services	1 509 792	(7 984 617)	(6 474 826)
-	(5 600)	(5 600)	Disaster Management	-	(9 125)	(9 125)
-	-	-	Health	-	-	-
812 786	(1 174 338)	(361 551)	Library	708 000	(1 564 452)	(856 452)
-	(319 256)	(319 256)	Municipal and Public Buildings	-	(174 244)	(174 244)
-	-	-	Public Works	-	(289 112)	(289 112)
-	-	-	Traffic	-	-	-
			<b>Infrastructure Development</b>			
8 628 536	(15 476 585)	(6 848 048)	Electricity	10 020 356	(13 127 863)	(3 107 507)
3 343 792	(419 021)	2 924 770	Parks and Recreation	2 126 044	(310 667)	1 815 377
1 324 656	(8 282 321)	(6 957 664)	Refuse	1 531 064	(7 339 970)	(5 808 906)
902 702	(2 174 338)	(1 271 636)	Roads	(239 928)	(1 429 232)	(1 669 160)
1 538 331	(2 680 952)	(1 142 621)	Sewerage	4 075 437	(2 587 555)	1 487 881
-	(23 326)	(23 326)	Television	(9 454)	(0)	(9 454)
21 925 637	(11 718 170)	10 207 467	Water	16 642 261	(17 029 307)	(387 046)
			<b>Economic Development</b>			
-	-	-	Housing	-	-	-
-	(842 954)	(842 954)	IDP/LED	-	(907 992)	(907 992)
-	-	-	Tourism	-	-	-
-	-	-	Town Planning	-	-	-
68 318 819	(67 272 449)	1 046 370	Sub Total	64 763 140	(68 301 572)	(3 538 432)
-	-	-	Less Inter-Departmental Charges	-	-	-
68 318 819	(67 272 449)	1 046 370	<b>Total</b>	64 763 140	(68 301 572)	(3 538 432)

# APPENDICES

## APPENDIX D KHAI-MA MUNICIPALITY

### SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES, INTANGIBLE ASSETS, BIOLOGICAL ASSETS AND HERITAGE ASSETS AS AT 30 JUNE 2019 GENERAL FINANCE STATISTICS CLASSIFICATION

	Cost/Revaluation						Accumulated Depreciation						Carrying Value
	Opening Balance	Correction of Error	Additions	Transfers	Disposals/ Impairment	Closing Balance	Opening Balance	Correction of Error	Depreciation	Transfers	Disposals/ Impairment	Closing Balance	
Executive and council	2 529 037	378 185	153 303	-	(89 955)	2 970 571	1 413 186	(233 213)	491 610	-	(89 311)	1 582 272	1 388 298
Finance and administration	62 613 811	-	-	(914 200)	(90 819)	61 608 792	8 585 566	(614 085)	963 580	-	(21 663)	8 913 399	52 695 393
Internal audit	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and social services	909 518	-	-	-	-	909 518	326 884	1 030	65 444	-	-	393 358	516 160
Sport and recreation	7 380 363	-	2 535 959	-	(2 400)	9 913 922	1 749 415	(484 304)	204 432	-	(2 132)	1 467 411	8 446 511
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-
Planning and development	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport	22 871 680	-	-	(347 096)	-	22 524 584	10 576 383	(39 048)	619 627	-	-	11 156 962	11 367 622
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-
Water management	36 309 471	-	7 088 950	-	(30 616)	43 367 805	11 276 980	(59 836)	705 026	-	(25 122)	11 897 047	31 470 758
Waste water management	8 003 638	-	2 407 553	-	-	10 411 191	5 515 222	(13 191)	79 377	-	-	5 581 408	4 829 783
Waste management	15 920 012	-	-	-	(39 261)	15 880 751	12 019 776	(5 656 310)	4 166 131	-	(39 261)	10 490 335	5 390 416
Electricity	9 757 839	-	1 483 459	-	(1 063)	11 240 236	5 285 298	16 652	133 314	-	(1 063)	5 434 202	5 806 035
	166 295 369	378 185	13 669 224	(1 261 296)	(254 113)	178 827 370	56 748 710	(7 082 305)	7 428 540	-	(178 551)	56 916 394	121 910 976

# APPENDICES

**APPENDIX E**  
**KHAI-MA MUNICIPALITY**  
**DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003**

Grant Description	Balance 30 June 2018	Correction of Error	Restated Balance 30 June 2018	Contributions during the year	Interest on Investments	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2019	Unspent 30 June 2019 (Creditor)	Unpaid 30 June 2019 (Debtor)
<b><u>National Government Grants</u></b>											
Equitable Share	-	-	-	17 394 416	-	-	(17 394 416)	-	-	-	-
Finance Management Grant	-	-	-	1 970 000	-	-	(1 970 000)	-	(0)	-	(0)
Municipal System Improvement Grant	212 118	-	212 118	-	-	-	-	-	212 118	212 118	-
Municipal Infrastructure Grant	1 771 207	-	1 771 207	7 712 000	-	(1 771 207)	(1 002 221)	(6 709 779)	-	-	-
Integrated National Electrification Grant	17 532	-	17 532	1 650 000	-	(17 532)	-	(1 070 825)	579 175	579 175	-
Expanded Public Works Programme	97 298	-	97 298	1 000 000	-	(97 298)	(1 000 000)	-	-	-	-
Water Services Infrastructure Grant	1 013 775	-	1 013 775	5 000 000	-	(486 379)	-	(5 081 517)	445 879	445 879	-
<b>Total National Government Grants</b>	<b>3 111 930</b>	<b>-</b>	<b>3 111 930</b>	<b>34 726 416</b>	<b>-</b>	<b>(2 372 416)</b>	<b>(21 366 637)</b>	<b>(12 862 121)</b>	<b>1 237 172</b>	<b>1 237 172</b>	<b>(0)</b>
<b><u>Provincial Government Grants</u></b>											
Library	54 214	-	54 214	708 000	-	-	(708 000)	-	54 214	54 214	-
<b>Total Provincial Government Grants</b>	<b>54 214</b>	<b>-</b>	<b>54 214</b>	<b>708 000</b>	<b>-</b>	<b>-</b>	<b>(708 000)</b>	<b>-</b>	<b>54 214</b>	<b>54 214</b>	<b>-</b>
<b><u>District Municipality</u></b>											
ABC DM	-	-	-	-	-	-	-	-	-	-	-
<i>list</i>	-	-	-	-	-	-	-	-	-	-	-
<b>Total District Municipality Grants</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Other Grant Providers</u></b>											
LG SETA	49 753	-	49 753	43 783	-	-	-	-	93 535	93 535	-
Vedanta	-	-	-	130 000	-	-	(50 000)	-	80 000	80 000	-
<b>Total Other Grant Providers</b>	<b>49 753</b>	<b>-</b>	<b>49 753</b>	<b>173 783</b>	<b>-</b>	<b>-</b>	<b>(50 000)</b>	<b>-</b>	<b>173 535</b>	<b>173 535</b>	<b>-</b>
<b>Total Grants</b>	<b>3 215 896</b>	<b>-</b>	<b>3 215 896</b>	<b>35 608 199</b>	<b>-</b>	<b>(2 372 416)</b>	<b>(22 124 637)</b>	<b>(12 862 121)</b>	<b>1 464 921</b>	<b>1 464 921</b>	<b>(0)</b>

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received. No grants were withheld.



# APPENDICES

KHAI-MA - Reconciliation of Table A1 Budget Summary												
Description	2018/19								2017/18			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28 )	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
R thousands												
<b>Financial Performance</b>												
Property rates	5 066	204	5 270	5 311		(40)	0	0				5 053
Service charges	17 734	(377)	17 356	12 674		4 682	0	0				12 427
Investment revenue	187	-	187	232		(45)	0	0				214
Transfers recognised - operational	179	-	179	174		5	0	0				243
Other own revenue	24 441	728	25 169	33 510		(8 341)	0	0				32 944
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>47 606</b>	<b>555</b>	<b>48 161</b>	<b>51 901</b>	<b>-</b>	<b>(3 740)</b>	<b>0</b>	<b>0</b>				<b>50 880</b>
Employee costs	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	20 585
Remuneration of councillors	28 125	(1 131)	26 994	21 030	-	5 963	0	0	-	-	-	2 662
Debt impairment	3 241	(218)	3 023	2 594	-	429	0	0	-	-	-	8 896
Depreciation & asset impairment	4 996	-	4 996	7 850	-	(2 853)	0	0	-	-	-	9 265
Finance charges	3 008	862	3 871	7 429	-	(3 558)	0	0	-	-	-	3 533
Materials and bulk purchases	14 791	1 000	15 791	14 069	-	1 722	0	0	-	-	-	11 010
Transfers and grants	4 252	646	4 898	3 303	-	1 595	0	0	-	-	-	-
Other expenditure	10 671	49	10 720	11 952	-	(1 232)	0	0	-	-	-	11 441
<b>Total Expenditure</b>	<b>69 085</b>	<b>1 207</b>	<b>70 292</b>	<b>68 226</b>	<b>-</b>	<b>2 066</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67 390</b>
<b>Surplus/(Deficit)</b>	<b>(21 479)</b>	<b>(652)</b>	<b>(22 131)</b>	<b>(16 325)</b>	<b>-</b>	<b>(5 806)</b>	<b>0</b>	<b>0</b>				<b>(16 510)</b>
Transfers recognised - capital	(21 479)	(652)	(22 131)	(16 401)		(5 730)	0	0				17 556
Contributions recognised - capital & contributed assets	-	-	-	-		-	#DIV/0!	#DIV/0!				-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(42 958)</b>	<b>(1 304)</b>	<b>(44 262)</b>	<b>(32 726)</b>	<b>-</b>	<b>(11 536)</b>	<b>0</b>	<b>0</b>				<b>1 046</b>
Share of surplus/ (deficit) of associate	-	-	-	-		-	#DIV/0!	#DIV/0!				-
<b>Surplus/(Deficit) for the year</b>	<b>(42 958)</b>	<b>(1 304)</b>	<b>(44 262)</b>	<b>(32 726)</b>	<b>-</b>	<b>(11 536)</b>	<b>0</b>	<b>0</b>				<b>1 046</b>
<b>Capital expenditure &amp; funds sources</b>												
<b>Capital expenditure</b>												
Transfers recognised - capital	27 356	6 527	33 883	12 862		21 021	0	0				17 556
Public contributions & donations	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Borrowing	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Internally generated funds	150	51	201	(14 378)		14 578	(0)	(0)				4 720
<b>Total sources of capital funds</b>	<b>27 506</b>	<b>6 578</b>	<b>34 084</b>	<b>(1 515)</b>	<b>-</b>	<b>35 599</b>	<b>(0)</b>	<b>(0)</b>				<b>-</b>
<b>Cash flows</b>												
Net cash from (used) operating	26 496	6 171	32 668	13 937		18 731	0	0				9 784
Net cash from (used) investing	(27 506)	(6 578)	(34 084)	(13 669)		(20 415)	0	0				(15 443)
Net cash from (used) financing	(23)	(0)	(23)	(7)		(17)	0	0				5
<b>Cash/cash equivalents at the year end</b>	<b>1 223</b>	<b>(406)</b>	<b>817</b>	<b>1 194</b>		<b>(377)</b>	<b>0</b>	<b>0</b>				<b>-</b>

# APPENDICES

KHAI-MA - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)												
Description	2018/19								2017/18			
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
<b>Revenue - Standard</b>												
<i>Governance and administration</i>	25 100	304	25 405	29 615		(4 211)	116.6%	118.0%				29 507
Executive and council	17 420	–	17 420	17 444		(24)	100.1%	100.1%				16 391
Finance and administration	7 680	(90)	7 590	12 171		(4 581)	160.3%	158.5%				13 116
Internal audit	–	394	394	–		394	0.0%	#DIV/0!				–
<i>Community and public safety</i>	3 433	(102)	3 331	2 825		506	84.8%	82.3%				4 157
Community and social services	721	–	721	699		22	96.9%	96.9%				813
Sport and recreation	2 712	(102)	2 610	2 126		484	81.4%	78.4%				3 344
Public safety	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Housing	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Health	–	–	–	–		–	#DIV/0!	#DIV/0!				–
<i>Economic and environmental services</i>	296	45	342	47		295	13.7%	15.7%				1 238
Planning and development	–	–	–	–		–	#DIV/0!	#DIV/0!				–
Road transport	296	45	342	47		295	13.7%	15.7%				1 238
Environmental protection	–	–	–	–		–	#DIV/0!	#DIV/0!				–
<i>Trading services</i>	46 133	7 835	53 967	33 441		20 526	62.0%	72.5%				33 417
Electricity	10 783	(473)	10 310	10 020		289	97.2%	92.9%				8 629
Water	23 742	14 363	38 105	17 814		20 291	46.7%	75.0%				21 926
Waste water management	10 288	(6 185)	4 103	4 075		27	99.3%	39.6%				1 538
Waste management	1 320	130	1 450	1 531		(81)	105.6%	116.0%				1 325
<i>Other</i>	–	–	–	–		–	#DIV/0!	#DIV/0!				–
<b>Total Revenue - Standard</b>	<b>74 962</b>	<b>8 083</b>	<b>83 045</b>	<b>65 927</b>		<b>17 117</b>	<b>79.4%</b>	<b>87.9%</b>				<b>68 319</b>
<b>Expenditure - Standard</b>												
<i>Governance and administration</i>	27 259	2 094	29 353	23 202	–	–	0.0%	0.0%	–	–	–	23 782
Executive and council	8 617	(13)	8 604	7 665	–	939	89.1%	89.0%	–	–	–	7 606
Finance and administration	18 642	(10 497)	8 145	15 537	–	(7 392)	190.8%	83.3%	–	–	–	16 176
Internal audit	–	12 604	12 604	–	–	12 604	0.0%	#DIV/0!	–	–	–	–
<i>Community and public safety</i>	2 797	(94)	2 703	2 085	–	–	0.0%	0.0%	–	–	–	1 793
Community and social services	2 154	(54)	2 099	1 774	–	325	84.5%	82.4%	–	–	–	1 374
Sport and recreation	644	(40)	604	311	–	293	51.4%	48.3%	–	–	–	419
Public safety	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Housing	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
Health	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
<i>Economic and environmental services</i>	4 049	(681)	3 368	2 415	–	–	0.0%	0.0%	–	–	–	3 077
Planning and development	1 660	(157)	1 504	908	–	596	60.4%	54.7%	–	–	–	843
Road transport	2 389	(525)	1 864	1 507	–	357	80.8%	63.1%	–	–	–	2 234
Environmental protection	–	–	–	–	–	–	#DIV/0!	#DIV/0!	–	–	–	–
<i>Trading services</i>	34 979	(111)	34 868	41 764	–	–	0.0%	0.0%	–	–	–	38 622
Electricity	13 226	266	13 491	13 635	–	(144)	101.1%	103.1%	–	–	–	15 940
Water	13 303	1 702	15 005	18 201	–	(3 196)	121.3%	136.8%	–	–	–	11 718
Waste water management	4 186	(1 543)	2 643	2 588	–	55	97.9%	61.8%	–	–	–	2 681
Waste management	4 264	(536)	3 728	7 340	–	(3 612)	196.9%	172.1%	–	–	–	8 282
<i>Other</i>	–	–	–	–	–	–	0.0%	0.0%	–	–	–	–
<b>Total Expenditure - Standard</b>	<b>69 085</b>	<b>1 207</b>	<b>70 292</b>	<b>69 466</b>	–	–	<b>0.0%</b>	<b>0.0%</b>	–	–	–	<b>67 272</b>
<b>Surplus/(Deficit) for the year</b>	<b>5 877</b>	<b>6 875</b>	<b>12 753</b>	<b>(3 538)</b>	–	–	<b>0.0%</b>	<b>0.0%</b>	–	–	–	<b>1 046</b>

# APPENDICES

KHAI-MA - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)												
Vote Description	2018/19								2017/18			
R thousand	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
<b>Revenue by Vote</b>												
Vote 1 - Municipal Manager	17 420	-	17 420	17 452		(32)	100.2%	100.2%				16 391
Vote 2 - Finance	7 769	598	8 367	10 948		(2 581)	130.8%	140.9%				12 405
Vote 3 - Corporate Services	928	(220)	708	2 218		(1 510)	313.1%	238.9%				1 859
Vote 4 - Infrastructure Development	48 845	7 705	56 550	34 146		22 404	60.4%	69.9%				37 664
Vote 5 - Economic Development	-	-	-	-		-	#DIV/0!	#DIV/0!				-
<b>Total Revenue by Vote</b>	<b>74 962</b>	<b>8 083</b>	<b>83 045</b>	<b>64 763</b>		<b>18 281</b>	<b>78.0%</b>	<b>86.4%</b>				<b>68 319</b>
<b>Expenditure by Vote to be appropriated</b>												
Vote 1 - Municipal Manager	8 617	(13)	8 604	7 673	-	931	89.2%	89.0%	-	-	-	7 606
Vote 2 - Finance	12 463	(3 651)	8 813	7 674	-	1 139	87.1%	61.6%	-	-	-	8 449
Vote 3 - Corporate Services	8 335	4 019	12 354	10 222	-	2 132	82.7%	122.6%	-	-	-	9 600
Vote 4 - Infrastructure Development	38 009	1 009	39 018	41 825	2 807	(2 807)	107.2%	110.0%	-	-	-	40 775
Vote 5 - Economic Development	1 660	(157)	1 504	908	-	596	60.4%	54.7%	-	-	-	843
<b>Total Expenditure by Vote</b>	<b>69 085</b>	<b>1 207</b>	<b>70 292</b>	<b>68 302</b>	<b>-</b>	<b>1 990</b>	<b>97.2%</b>	<b>98.9%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67 272</b>
<b>Surplus/(Deficit) for the year</b>	<b>5 877</b>	<b>6 875</b>	<b>12 753</b>	<b>(3 538)</b>		<b>16 291</b>	<b>-27.7%</b>	<b>-60.2%</b>				<b>1 046</b>

# APPENDICES

KHAI-MA - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)												
Description	2018/19								2017/18			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
<b>Revenue By Source</b>												
Property rates	5 066	204	5 270	5 311		(40)	100.8%	104.8%				5 053
Service charges - electricity revenue	9 016	(476)	8 540	8 305		235	97.2%	92.1%				7 495
Service charges - water revenue	6 584	(267)	6 317	1 778		4 539	28.2%	27.0%				2 546
Service charges - sanitation revenue	1 043	266	1 309	1 381		(72)	105.5%	132.4%				1 291
Service charges - refuse revenue	1 091	100	1 191	1 210		(20)	101.7%	111.0%				1 094
Rental of facilities and equipment	187	-	187	232		(45)	124.2%	124.2%				214
Interest earned - external investments	200	-	200	293		(93)	146.7%	146.7%				660
Interest earned - outstanding debtors	1 996	1 680	3 676	3 764		(88)	102.4%	188.5%				3 182
Dividends received	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Fines	42	35	77	68		9	88.3%	161.7%				55
Licences and permits	72	-	82	41		41	50.2%	57.4%				34
Agency services	179	-	179	174		5	97.3%	97.3%				243
Transfers recognised - operational	22 104	(1 000)	21 104	22 125		(1 021)	104.8%	100.1%				20 461
Other revenue	27	3	30	7 218		(7 189)	24418.2%	27176.1%				8 552
Gains on disposal of PPE	-	-	-	-		-	#DIV/0!	#DIV/0!				-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>47 606</b>	<b>555</b>	<b>48 161</b>	<b>51 901</b>		<b>(3 740)</b>	<b>107.8%</b>	<b>109.0%</b>				<b>50 880</b>
<b>Expenditure By Type</b>												
Employee related costs	28 125	(1 131)	26 994	21 030	-	5 963	77.9%	74.8%	-	-	-	20 585
Remuneration of councillors	3 241	(218)	3 023	2 594	-	429	85.8%	80.0%	-	-	-	2 662
Debt impairment	4 996	-	4 996	7 850	-	(2 853)	157.1%	157.1%	-	-	-	8 896
Depreciation & asset impairment	3 008	862	3 871	7 429	-	(3 558)	191.9%	246.9%	-	-	-	9 265
Finance charges	1 533	600	2 133	3 858	-	(1 725)	180.9%	251.7%	-	-	-	3 533
Bulk purchases	13 258	400	13 658	10 211	-	3 447	74.8%	77.0%	-	-	-	9 198
Other materials	5 271	(2 351)	2 920	1 562	-	1 359	53.5%	29.6%	-	-	-	1 812
Contracted services	4 252	646	4 898	3 303	-	1 595	67.4%	77.7%	-	-	-	2 037
Transfers and grants	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Other expenditure	5 400	2 400	7 799	10 390	-	(2 591)	133.2%	192.4%	-	-	-	9 398
Loss on disposal of PPE	-	-	-	76	-	(76)	#DIV/0!	#DIV/0!	-	-	-	6
<b>Total Expenditure</b>	<b>69 085</b>	<b>1 207</b>	<b>70 292</b>	<b>68 302</b>	<b>-</b>	<b>1 990</b>	<b>97.2%</b>	<b>98.9%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67 390</b>
<b>Surplus/(Deficit)</b>	<b>(21 479)</b>	<b>(652)</b>	<b>(22 131)</b>	<b>(16 401)</b>		<b>(5 730)</b>	<b>74.1%</b>	<b>76.4%</b>				<b>(16 510)</b>
Transfers recognised - capital	27 356	7 527	34 883	12 862		22 021	36.9%	47.0%				17 556
Contributions recognised - capital	-	-	-	-		-	#DIV/0!	#DIV/0!				-
Contributed assets	-	-	-	-		-	#DIV/0!	#DIV/0!				-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>5 877</b>	<b>6 875</b>	<b>12 753</b>	<b>(3 538)</b>		<b>16 291</b>	<b>-27.7%</b>	<b>-60.2%</b>				<b>1 046</b>
Taxation	-	-	-	-		-	#DIV/0!	#DIV/0!				-
<b>Surplus/(Deficit) after taxation</b>	<b>5 877</b>	<b>6 875</b>	<b>12 753</b>	<b>(3 538)</b>		<b>16 291</b>	<b>-27.7%</b>	<b>-60.2%</b>				<b>1 046</b>
Attributable to minorities	-	-	-	-		-	#DIV/0!	#DIV/0!				-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>5 877</b>	<b>6 875</b>	<b>12 753</b>	<b>(3 538)</b>		<b>16 291</b>	<b>-27.7%</b>	<b>-60.2%</b>				<b>1 046</b>
Share of surplus/ (deficit) of associate	-	-	-	-		-	#DIV/0!	#DIV/0!				-
<b>Surplus/(Deficit) for the year</b>	<b>5 877</b>	<b>6 875</b>	<b>12 753</b>	<b>(3 538)</b>		<b>16 291</b>	<b>-27.7%</b>	<b>-60.2%</b>				<b>1 046</b>

# APPENDICES

KHAI-MA - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding												
Vote Description	2018/19								2017/18			
	Original Budget	Total Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8	9	10	11	12
<b>Capital expenditure - Vote</b>												
<b>Multi-year expenditure</b>												
Vote 1 - Municipal Manager	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 2 - Finance	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 4 - Infrastructure Development	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 5 - Economic Development	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
<b>Capital multi-year expenditure</b>	-	-	-	-	-	-			-	-	-	-
<b>Single-year expenditure</b>												
Vote 1 - Municipal Manager	150	51	201	99	-	102	49%	66%	-	-	-	120
Vote 2 - Finance	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Vote 4 - Infrastructure Development	27 356	6 527	33 883	13 570	-	20 313	40%	50%	-	-	-	22 156
Vote 5 - Economic Development	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
<b>Capital single-year expenditure</b>	27 506	6 578	34 084	13 669	-	20 415	#DIV/0!	#DIV/0!	-	-	-	22 277
<b>Total Capital Expenditure - Vote</b>	27 506	6 578	34 084	13 669	-	20 415	#DIV/0!	#DIV/0!	-	-	-	22 277
<b>Capital Expenditure - Standard</b>												
<b>Governance and administration</b>	150	51	201	(1 095)	-	1 295	#DIV/0!	#DIV/0!	-	-	-	120
Executive and council	150	51	201	(90)	-	290	(0)	(0)	-	-	-	120
Finance and administration	-	-	-	(1 005)	-	1 005	#DIV/0!	#DIV/0!	-	-	-	-
Internal audit	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
<b>Community and public safety</b>	2 358	252	2 610	(2)	-	2 613	#DIV/0!	#DIV/0!	-	-	-	2 959
Community and social services	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Sport and recreation	2 358	252	2 610	(2)	-	2 613	(0)	(0)	-	-	-	2 959
Public safety	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Housing	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Health	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
<b>Economic and environmental services</b>	-	-	-	(347)	-	347	#DIV/0!	#DIV/0!	-	-	-	113
Planning and development	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Road transport	-	-	-	(347)	-	347	#DIV/0!	#DIV/0!	-	-	-	113
Environmental protection	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
<b>Trading services</b>	24 998	6 275	31 273	(71)	-	31 344	#DIV/0!	#DIV/0!	-	-	-	19 084
Electricity	1 650	-	1 650	(1)	-	1 651	(0)	(0)	-	-	-	199
Water	14 348	12 776	27 124	(31)	-	27 154	(0)	(0)	-	-	-	12 051
Waste water management	9 000	(6 501)	2 499	-	-	2 499	-	-	-	-	-	-
Waste management	-	-	-	(39)	-	39	#DIV/0!	#DIV/0!	-	-	-	6 834
<b>Other</b>	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	27 506	6 578	34 084	(1 515)	-	35 599	#DIV/0!	#DIV/0!	-	-	-	22 277
<b>Funded by:</b>												
National Government	18 356	(4 473)	13 883	12 862	-	1 021	0	0	-	-	-	17 556
Provincial Government	9 000	11 000	20 000	-	-	20 000	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
<b>Transfers recognised - capital</b>	27 356	6 527	33 883	12 862	-	21 021	#DIV/0!	#DIV/0!	-	-	-	17 556
<b>Public contributions &amp; donations</b>	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
<b>Borrowing</b>	-	-	-	-	-	-	#DIV/0!	#DIV/0!	-	-	-	-
<b>Internally generated funds</b>	150	51	201	(14 378)	-	14 578	(0)	(0)	-	-	-	4 720
<b>Total Capital Funding</b>	27 506	6 578	34 084	(1 515)	-	35 599	#DIV/0!	#DIV/0!	-	-	-	22 277

# APPENDICES

KHAI-MA - Reconciliation of Table A7 Budgeted Cash Flows								
Description	2018/19							2017/18
R thousand	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	1	2	3	4	5	600.00%	700.00%	8
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>								
Property rates, penalties and collection charges	4 504	(288)	4 216	5 538	(4 504)	131.35%	122.96%	3 886
Service charges	13 549	(2 723)	10 826	12 852	(13 549)	118.71%	94.85%	11 109
Other revenue	462	(243)	220	2 754	(462)	1254.17%	595.94%	5 194
Government - operating	22 104	-	22 104	18 874	(22 104)	85.39%	85.39%	17 879
Government - capital	27 356	6 527	33 883	14 362	(27 356)	42.39%	52.50%	13 825
Interest	1 725	768	2 493	293	(1 725)	11.77%	17.01%	660
Dividends	-	-	-	-	-	#DIV/0!	#DIV/0!	-
<b>Payments</b>								
Suppliers and employees	(43 205)	2 130	(41 075)	(38 866)	43 205	94.62%	89.96%	(41 107)
Finance charges	-	-	-	(1 870)	-	#DIV/0!	#DIV/0!	(1 663)
Transfers and Grants	-	-	-	-	-	#DIV/0!	#DIV/0!	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>26 496</b>	<b>6 171</b>	<b>32 668</b>	<b>13 937</b>	<b>(26 496)</b>	<b>#DIV/0!</b>	<b>#DIV/0!</b>	<b>9 784</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Proceeds on disposal of PPE	-	-	-	-	-	#DIV/0!	#DIV/0!	-
Decrease (increase) in non-current debtors	-	-	-	-	-	#DIV/0!	#DIV/0!	-
Decrease (increase) other non-current receivables	-	-	-	-	-	#DIV/0!	#DIV/0!	-
Decrease (increase) in non-current investments	-	-	-	-	-	#DIV/0!	#DIV/0!	-
<b>Payments</b>								
Capital assets	(27 506)	(6 578)	(34 084)	(13 669)	27 506	40.10%	49.70%	(15 443)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(27 506)</b>	<b>(6 578)</b>	<b>(34 084)</b>	<b>(13 669)</b>	<b>27 506</b>	<b>40.10%</b>	<b>49.70%</b>	<b>(15 443)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Short term loans	-	-	-	-	-	#DIV/0!	#DIV/0!	-
Borrowing long term/refinancing	-	-	-	-	-	#DIV/0!	#DIV/0!	-
Increase (decrease) in consumer deposits	5	(0)	5	22	(5)	421.62%	421.54%	30
<b>Payments</b>								
Repayment of borrowing	(29)	-	(29)	(29)	29	100.00%	100.00%	(26)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(23)</b>	<b>(0)</b>	<b>(23)</b>	<b>(7)</b>	<b>23</b>	<b>28.73%</b>	<b>28.73%</b>	<b>5</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(1 033)</b>	<b>(406)</b>	<b>(1 440)</b>	<b>261</b>				<b>(5 655)</b>
Cash/cash equivalents at the year begin:	2 257	0	2 257	933				6 588
Cash/cash equivalents at the year end:	1 223	(406)	817	1 194	(1 223)	-200.98%	66.77%	933